

EXHIBIT 5

<p style="text-align: right;">Page 1</p> <p>SIMON YOON IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK -----X GRANITE STATE INSURANCE COMPANY, Plaintiff, v. Civil Action No. 2009 Civ.10607 CLEARWATER INSURANCE COMPANY, f/k/a ODYSSEY REINSURANCE CORPORATION, f/k/a SKANDIA AMERICA REINSURANCE CORPORATION, Defendants. -----X DEPOSITION OF SIMON YOON New York, New York Friday, February 18, 2011 REPORTED BY: BARBARA R. ZELTMAN Professional Stenographic Reporter Job Number: 2558</p>	<p style="text-align: right;">Page 3</p> <p>1 SIMON YOON 2 APPEARANCES: 3 4 MOUND, COTTON, WOLLAN & GREENGRASS 5 Attorneys for the Plaintiff 6 One Battery Park Plaza 7 New York, New York 10004 8 BY: ROBERT E. WILDER, ESQ. 9 10 11 CLYDE & CO. US LLP 12 Attorneys for the Defendants 13 405 Lexington Avenue 14 New York, New York 10174 15 BY: STEPHEN M. KENNEDY, ESQ., 16 17 18 19 20 21 22 23 24 25</p>
<p style="text-align: right;">Page 2</p> <p>1 SIMON YOON 2 3 4 February 18, 2011 5 9:55 a.m. 6 7 Deposition of SIMON YOON taken by 8 Defendants, pursuant to Notice, at the offices of 9 CLYDE & CO. US LLP, 405 Lexington Avenue, New York, 10 New York, before BARBARA R. ZELTMAN, a Professional 11 Stenographic Reporter and Notary Public within and 12 for the State of New York. 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	<p style="text-align: right;">Page 4</p> <p>1 SIMON YOON 2 3 IT IS HEREBY STIPULATED AND AGREED 4 by and between the attorneys for the respective 5 parties herein that filing and sealing be and 6 the same are hereby waived. 7 IT IS FURTHER STIPULATED AND AGREED 8 that all objections, except as to the form of 9 the question, shall be reserved to the time 10 of trial. 11 IT IS FURTHER STIPULATED AND AGREED 12 that the within deposition may be signed and 13 sworn to before any officer authorized to 14 administer an oath with the same force and 15 effect as if signed and sworn to before 16 the Court. 17 18 19 20 21 22 23 24 25</p>

<p style="text-align: right;">Page 37</p> <p>1 SIMON YOON</p> <p>2 MR. WILDER: Different</p> <p>3 underwriting company or different</p> <p>4 year?</p> <p>5 MR. KENNEDY: I'm not under</p> <p>6 oath here, Mr. Wilder. I'm talking</p> <p>7 to Mr. Yoon. If he does not</p> <p>8 understand a question, you may object</p> <p>9 to form, but that's all you are</p> <p>10 limited to.</p> <p>11 MR. WILDER: Objection. Vague</p> <p>12 and ambiguous.</p> <p>13 MR. KENNEDY: Thank you.</p> <p>14 A Let me be clear what you are asking</p> <p>15 me.</p> <p>16 Q Sure.</p> <p>17 A So notice comes in later, you are</p> <p>18 talking about --</p> <p>19 Q On a different policy relating to</p> <p>20 that insured.</p> <p>21 A That hasn't happened in terms of</p> <p>22 this account from what I recall from my</p> <p>23 handling of this account.</p> <p>24 Q When you say "this account," you</p> <p>25 are talking about the McGraw-Edison account?</p>	<p style="text-align: right;">Page 39</p> <p>1 SIMON YOON</p> <p>2 Q Would you ever be responsible for</p> <p>3 setting or posting reserves on a claim?</p> <p>4 A Yes.</p> <p>5 Q And are there written policies or</p> <p>6 procedures at AIG to follow with respect to</p> <p>7 posting or setting reserves on a claim?</p> <p>8 MR. WILDER: Let me just</p> <p>9 interject an objection.</p> <p>10 MR. KENNEDY: Object to the</p> <p>11 form but that's it. There's no</p> <p>12 speaking objections, Mr. Wilder. You</p> <p>13 know that.</p> <p>14 MR. WILDER: This is not a</p> <p>15 speaking objection. I'm just saying</p> <p>16 that as you know, Granite State has</p> <p>17 objected to discovery on general</p> <p>18 reserving practices and that's an</p> <p>19 issue that's before the magistrate.</p> <p>20 MR. KENNEDY: That's entirely</p> <p>21 incorrect. If you want to take that</p> <p>22 position, Mr. Wilder, you are</p> <p>23 absolutely incorrect and if you</p> <p>24 prohibit him from testifying on that,</p> <p>25 I will move the Court and I will ask</p>
<p style="text-align: right;">Page 38</p> <p>1 SIMON YOON</p> <p>2 A McGraw-Edison/Halliburton account,</p> <p>3 yes.</p> <p>4 Q When I'm talking about</p> <p>5 McGraw-Edison, I'm not talking about</p> <p>6 Halliburton.</p> <p>7 A But in terms of these losses, I</p> <p>8 don't remember that happening.</p> <p>9 Q Okay.</p> <p>10 Let's step back away from</p> <p>11 McGraw-Edison or Halliburton.</p> <p>12 A Okay.</p> <p>13 Q Any other account you recall that</p> <p>14 ever happening?</p> <p>15 A I can't recall.</p> <p>16 Q Okay.</p> <p>17 You said that you would make</p> <p>18 coverage determinations with respect to</p> <p>19 claims as a matter of your responsibilities;</p> <p>20 is that right?</p> <p>21 A That is correct.</p> <p>22 Q And you may retain coverage counsel</p> <p>23 and consultants with respect to a claim,</p> <p>24 right?</p> <p>25 A Right.</p>	<p style="text-align: right;">Page 40</p> <p>1 SIMON YOON</p> <p>2 for costs because you are not correct</p> <p>3 on that.</p> <p>4 MR. WILDER: I would ask you</p> <p>5 not to interrupt me, sir.</p> <p>6 MR. KENNEDY: You just</p> <p>7 finished.</p> <p>8 MR. WILDER: No, I didn't</p> <p>9 finish.</p> <p>10 I am letting the witness testify on</p> <p>11 general reserving practices in accordance</p> <p>12 with your Rule 30(b)(6) without waiving</p> <p>13 our objection.</p> <p>14 I reserve all rights on behalf of</p> <p>15 Granite State. Proceed.</p> <p>16 MR. KENNEDY: There was no</p> <p>17 objection, but that doesn't matter</p> <p>18 because now we are here and you</p> <p>19 testified to that.</p> <p>20 BY MR. KENNEDY:</p> <p>21 Q Are there any written policies or</p> <p>22 procedures at AIG with respect to posting or</p> <p>23 setting reserves?</p> <p>24 A I'm not aware of any.</p> <p>25 Q Are there any unwritten policies or</p>

10 (Pages 37 to 40)

Page 41	Page 43
<p>1 SIMON YOON</p> <p>2 procedures?</p> <p>3 A I'm not aware of any.</p> <p>4 Q So you could just randomly set</p> <p>5 reserves if you felt that you wanted to put</p> <p>6 up a reserve on a claim file?</p> <p>7 MR. WILDER: Objection.</p> <p>8 Argumentative.</p> <p>9 A Everything is on a case-by-case,</p> <p>10 talking to your manager in terms of any</p> <p>11 decision like that.</p> <p>12 Q So you would set reserves in</p> <p>13 consultation with your manager; is that</p> <p>14 right?</p> <p>15 A That's correct.</p> <p>16 Q And would it be based on certain</p> <p>17 developments or events that happen with</p> <p>18 respect to the claim?</p> <p>19 MR. WILDER: Objection. Vague.</p> <p>20 Overbroad.</p> <p>21 A Generally, when the loss gets to a</p> <p>22 point somewhat clearly defining what the</p> <p>23 loss is.</p> <p>24 Q So things happen, events happen,</p> <p>25 right, developments happen in a file that</p>	<p>1 SIMON YOON</p> <p>2 person be at that time?</p> <p>3 A From our department is Paul Colon,</p> <p>4 C-O-L-O-N.</p> <p>5 MR. WILDER: When you finish</p> <p>6 this line, when it's convenient, can</p> <p>7 we take a break.</p> <p>8 MR. KENNEDY: Sure.</p> <p>9 Could you read back that last</p> <p>10 response.</p> <p>11 (Requested portion of record read:</p> <p>12 "A. From our department is Paul</p> <p>13 Colon.")</p> <p>14 Q So at the request of Mr. Colon, you</p> <p>15 would prepare status reports.</p> <p>16 Did I understand that correctly?</p> <p>17 A Yes.</p> <p>18 Q What steps would you take to</p> <p>19 prepare a status report?</p> <p>20 A Review what's in the file, talk to</p> <p>21 counsel.</p> <p>22 Q So you'd review the contents of the</p> <p>23 claim file, right?</p> <p>24 A Yes.</p> <p>25 Q And you may talk to counsel, also?</p>
Page 42	Page 44
<p>1 SIMON YOON</p> <p>2 may cause you to discuss setting reserves</p> <p>3 with your manager; is that right?</p> <p>4 A Yes.</p> <p>5 Q You wouldn't set a full policy</p> <p>6 limit reserve necessarily on first notice of</p> <p>7 a claim, would you?</p> <p>8 A Not necessarily.</p> <p>9 Q You'd want to know -- you'd want to</p> <p>10 get information in support for the reserve</p> <p>11 number you were setting up, right?</p> <p>12 A Typically, yes.</p> <p>13 Q Now, with respect to your work as</p> <p>14 an analyst, did you have any responsibility</p> <p>15 for reporting to AIG's reinsurers?</p> <p>16 A Did I specifically? No.</p> <p>17 Q So is there nothing that you did,</p> <p>18 no act or function that related to AIG</p> <p>19 reporting to its reinsurers that you are</p> <p>20 aware of?</p> <p>21 MR. WILDER: Objection. Vague.</p> <p>22 A I may be asked to prepare a status</p> <p>23 report from our claims reinsurance person.</p> <p>24 Q Okay.</p> <p>25 Who would that claims reinsurance</p>	<p>1 SIMON YOON</p> <p>2 A Correct.</p> <p>3 Q And if there were consultants that</p> <p>4 had been retained, you might talk to them as</p> <p>5 well?</p> <p>6 A Correct.</p> <p>7 Q Anything else?</p> <p>8 A That's pretty much captures it.</p> <p>9 MR. KENNEDY: Why don't we take</p> <p>10 a break now.</p> <p>11 (A brief recess was</p> <p>12 taken.)</p> <p>13 BY MR. KENNEDY:</p> <p>14 Q Mr. Yoon, we just got finished</p> <p>15 talking about when a claim come in what the</p> <p>16 steps you would like whether with one policy</p> <p>17 or multiple policies.</p> <p>18 Let's take a situation where you</p> <p>19 were assigned an account where there was a</p> <p>20 claim file already opened up.</p> <p>21 Did that ever happen?</p> <p>22 A Yes. I'll talk about this case,</p> <p>23 this matter, yes.</p> <p>24 Q But I want to talk more generally</p> <p>25 before we talk about the McGraw claims.</p>

11 (Pages 41 to 44)

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1 SIMON YOON
2 mainstream unit?
3 A One of the mainstream units.
4 Q One of the mainstream units. Okay.
5 I knew there was a toxic tort
6 department --
7 A It's all within the same
8 department.
9 Q Okay.
10 Just for my own sake, I'm just
11 trying to figure this out.
12 There was a mainstream unit we
13 talked about as opposed to a complex unit we
14 talked about.
15 A Uh-huh.
16 Q But then you are saying you were in
17 charge of one of the mainstream units, so
18 there were plural mainstream units?
19 A Yes.
20 Q And what was the distinction
21 between the units in the mainstream units?
22 A Pretty much no distinction.
23 Q How many units were there?
24 A I believe at the time there were
25 three.

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1 SIMON YOON
2 Q Three of them. Okay.
3 How about the complex unit. When
4 you went over from the mainstream units to
5 the complex, was it unit or units?
6 A There was one complex unit, as I
7 recall.
8 Q Who was in charge of that complex
9 unit at that time?
10 A Chris Eskeland.
11 Q And who was in charge of the
12 mainstream units at the time that you
13 transferred over to the complex unit?
14 A There were three managers.
15 The only name I recall right now is
16 Sheila O'Brien who was my direct manager.
17 Q When you became a manager in 2004,
18 did you have people reporting to you?
19 A Yes.
20 Q How many?
21 A I think about five. Four or five.
22 Q Now, back in 2003 when you were
23 with the mainstream unit, were you assigned
24 the Dresser/Halliburton file?
25 A No, I was not.

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1 SIMON YOON
2 Q Did you have any personal
3 involvement?
4 A At that time, no.
5 Q Not in 2003 at all?
6 A Until I got into the complex unit.
7 Q So you were in the complex unit and
8 were you assigned the Dresser/Halliburton
9 file?
10 A That's correct.
11 Q Who had it before you?
12 A I believe it was Stephen Perrella.
13 Q Steve Perrella?
14 A Correct.
15 Q Do you know why it was assigned to
16 you?
17 A I think Steve was leaving the
18 company.
19 Q And he was in the complex unit?
20 A Correct.
21 Q Did he report to Chris Eskeland?
22 A Yes.
23 Q Now, you understand that at the
24 time that you were assigned it sometime in
25 2003 that the Halliburton entities,

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1 SIMON YOON
2 including Dresser, were claiming coverage
3 under policies issued to Studebaker-
4 Worthington?
5 A Yes.
6 Q Were you aware they were seeking
7 coverage also under policies issued directly
8 to Dresser Industries?
9 A Correct.
10 Q You were aware that they were
11 seeking coverage issued to Kellogg Brown &
12 Root?
13 A I believe so, yes.
14 Q You were aware that they were
15 seeking coverage with respect to policies
16 issued to an outfit called Alco Locomotive?
17 A I believe so.
18 Q You are aware that they were also
19 seeking coverage under policies issued to
20 McGraw-Edison?
21 A Yes.
22 Q And in fact, they were actually
23 seeking to -- coverage under the Granite
24 State McGraw-Edison policies that we just
25 reviewed earlier today?

<p style="text-align: right;">Page 53</p> <p>1 SIMON YOON</p> <p>2 A Correct.</p> <p>3 Q Now, with that in mind, you were</p> <p>4 assigned the file.</p> <p>5 What did the file look like?</p> <p>6 Was it one claim file? Was it</p> <p>7 multiple claims files?</p> <p>8 A I don't recall now what the file</p> <p>9 looked like back in '03 or '04.</p> <p>10 Q But was it one file?</p> <p>11 A Like I said, I don't recall.</p> <p>12 Q If I wanted to find that out, how</p> <p>13 would I go about doing that?</p> <p>14 A I have no idea.</p> <p>15 Q If you were to go back today and</p> <p>16 say, "Hey, I want to find out at the time I</p> <p>17 got the file, were there multiple claims</p> <p>18 files or only one claim file," how would you</p> <p>19 go about finding that out?</p> <p>20 A I wouldn't know how to go about</p> <p>21 doing that.</p> <p>22 Q Now, the time that you were</p> <p>23 assigned the file in 2003, that is, the</p> <p>24 Dresser/Halliburton file, you understand</p> <p>25 that Federal Mogul Corporation was also</p>	<p style="text-align: right;">Page 55</p> <p>1 SIMON YOON</p> <p>2 understanding, too, that dispute between</p> <p>3 Federal Mogul and the Dresser/Halliburton</p> <p>4 entities involved the AIG companies?</p> <p>5 MR. WILDER: Objection. Vague.</p> <p>6 A I don't know what you mean.</p> <p>7 Q At the point that you assumed the</p> <p>8 file, it's true that AIG companies were in a</p> <p>9 coverage dispute with respect to the Federal</p> <p>10 Mogul claims under the Studebaker-</p> <p>11 Worthington and McGraw-Edison policies;</p> <p>12 isn't that fair to say?</p> <p>13 MR. WILDER: Objection.</p> <p>14 Misstates the record.</p> <p>15 A I don't specifically recall that.</p> <p>16 I just don't recall that.</p> <p>17 Q Okay.</p> <p>18 MR. KENNEDY: Let's mark as</p> <p>19 Clearwater Exhibit 39, it's a</p> <p>20 document entitled Settlement</p> <p>21 Agreement and Release, execution</p> <p>22 copy. It's Bates-stamped</p> <p>23 2-GRANITE-000112 through</p> <p>24 2-GRANITE-000208.</p> <p>25 (Clearwater Exhibit 39,</p>
<p style="text-align: right;">Page 54</p> <p>1 SIMON YOON</p> <p>2 making competing demands for coverage under</p> <p>3 the Studebaker-Worthington policies?</p> <p>4 A That was my general understanding,</p> <p>5 yes.</p> <p>6 Q And you have a general</p> <p>7 understanding also that Federal Mogul was</p> <p>8 also seeking coverage under the</p> <p>9 McGraw-Edison policies; is that right?</p> <p>10 A Correct.</p> <p>11 Q Including the Granite State McGraw</p> <p>12 policies we talked at earlier today?</p> <p>13 A That was my understanding, yes.</p> <p>14 Q Do you have an understanding that</p> <p>15 there was -- that Federal Mogul went into</p> <p>16 bankruptcy sometime in the early 2000s?</p> <p>17 A I can't put a date on it, but yes,</p> <p>18 they were in bankruptcy.</p> <p>19 Q But you understand related to that</p> <p>20 bankruptcy, there were adversary proceedings</p> <p>21 where Dresser and Federal Mogul were making</p> <p>22 demands on the Studebaker and McGraw-Edison</p> <p>23 policies?</p> <p>24 A I believe that was the case.</p> <p>25 Q You also have a general</p>	<p style="text-align: right;">Page 56</p> <p>1 SIMON YOON</p> <p>2 Settlement Agreement and Release,</p> <p>3 execution copy, 2-GRANITE-000112</p> <p>4 through 2-GRANITE-000208, was</p> <p>5 marked for Identification.)</p> <p>6 BY MR. KENNEDY:</p> <p>7 Q And my first question to you,</p> <p>8 Mr. Yoon is: You recognize this document,</p> <p>9 right?</p> <p>10 MR. WILDER: Take your time to</p> <p>11 look at it.</p> <p>12 A Yes, I recognize it.</p> <p>13 Q Okay. What is it?</p> <p>14 A It says Settlement Agreement and</p> <p>15 Release.</p> <p>16 Q Who does it involve?</p> <p>17 A Halliburton companies and AIG</p> <p>18 companies.</p> <p>19 Q Okay.</p> <p>20 And you are aware that this</p> <p>21 settlement agreement pertains to the</p> <p>22 Halliburton/Dresser demands for coverage</p> <p>23 against various AIG company policies?</p> <p>24 A Yes.</p> <p>25 Q Including Studebaker-Worthington</p>

14 (Pages 53 to 56)

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1 SIMON YOON
2 and McGraw-Edison policies?
3 A Correct.
4 Q Including, in fact, Granite State
5 McGraw policies that we looked at earlier
6 too, Exhibits 5 through 8, right?
7 A That is correct.
8 Q Now, if you take a look on Page 4.
9 And as you look at Page 4, you
10 understand that with the settlement
11 agreement, there was a discontinuation of
12 coverage actions between AIG companies and
13 Dresser and Halliburton entities?
14 A I believe that was the case.
15 Q If you look actually in
16 Paragraph 16, you see Coverage Action and
17 it's defined.
18 A I see that.
19 Q You see that there's a reference
20 midway down to DII Industries LLC versus
21 Federal Mogul Product, Inc.?
22 A Yes, I see that.
23 Q And it refers to the Bankruptcy
24 Court of Delaware in parentheses.
25 Do you see that?

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1 SIMON YOON
2 A Yes, I think that's what it's
3 referring to, yes.
4 Q Okay.
5 And do you see also reference to
6 the Ace Property and Casualty Insurance
7 Company versus DII Industries at the very
8 bottom there?
9 A Yes.
10 Q You understand those proceedings
11 related to Dresser and Halliburton's demands
12 for coverage under the AIG company policies?
13 A I can't say definitively one way or
14 the other, but if you say so, yes.
15 Q I don't say so, I'm asking.
16 MR. WILDER: I don't think
17 counsel wants you to speculate.
18 A I can't say for sure.
19 Q In 2003, did AIG companies have
20 coverage counsel at that point in time?
21 A In terms of this matter?
22 Q Yeah.
23 A Yes, we did.
24 Q And who was coverage counsel?
25 A Cozen O'Connor.

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1 SIMON YOON
2 Q Who at Cozen O'Connor was acting on
3 behalf of AIG companies?
4 A It was Tom Wilkinson and Jack Shea.
5 Q And what were they doing on behalf
6 of AIG companies at that point in time when
7 you were assigned the file, if you recall?
8 A I believe they were the litigation
9 counsel of record in terms of dec, D-E-C,
10 actions.
11 And they were serving as our
12 coverage counsel.
13 Q As your coverage counsel?
14 A Correct.
15 Q You are aware at the point in time
16 you were assigned the file, that there were
17 in fact mediations between the AIG companies
18 and the Dresser/Halliburton entities, right?
19 A Correct.
20 Q And you also are aware that there
21 was mediation between Federal Mogul and the
22 AIG companies, right?
23 A Yeah, I don't recall if it was a
24 formal mediation. I just don't recall.
25 Q Do you recall formal settlement

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1 SIMON YOON
2 discussions between the AIG companies and
3 Federal Mogul?
4 A I don't recall that.
5 Q You recall at this time that the
6 Dresser/Halliburton entities were also
7 making coverage demands under policies
8 issued by other insurers?
9 A Yes.
10 Q And in fact, those other insurers
11 were involved in the same coverage actions
12 as the AIG companies, right?
13 A I believe so. I don't know which
14 ones were named in which, but yeah.
15 Q And you are aware that the AIG
16 companies and the other insurers formed an
17 insurer joint defense group at the time that
18 you had been assigned the file?
19 A I think it was even before, but,
20 yes.
21 Q Do you know sometime before you
22 were assigned the file that group existed?
23 A When I got on the file I think the
24 joint carrier group was already in place.
25 Q Now, you understand that the joint

15 (Pages 57 to 60)

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1 defense group retained certain experts to
2 assist them with the coverage demands that
3 the Halliburton/Dresser entities were
4 making?

5 A I know they retained some
6 consultants, yes.

7 Q Do you know which consultants they
8 retained?

9 A Nera.

10 Q Anyone else?

11 A I believe Brattle.

12 Q The Brattle Group.

13 Anyone else?

14 A I think that was it.

15 Q Now, you recall that the Dresser/
16 Halliburton entities also had their own
17 consultants, right?

18 A I assume so.

19 Q But you don't recall?

20 A I don't recall.

21 Q Does the name Rabinowitz ring a
22 bell at all?

23 A I've seen that name during my prep,
24 but otherwise, no.
25

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1 Q Do you understand that that person
2 was a consultant for the Dresser/Halliburton
3 entities, generally speaking?

4 A Through the prep I've been advised
5 that that was probably the case.

6 Q Now, the Nera and Brattle Group in
7 terms of their function for the joint
8 defense group was what exactly?

9 A As far as I recall, they were
10 basically running numbers in terms of claim
11 exposure, claim counts, claim values, claim
12 estimations.

13 But also taking into account I
14 think the wishes of various carriers in
15 terms of what they were willing to offer to
16 resolve the dispute with Halliburton and
17 Dresser.

18 Q Right. Okay.

19 So is it fair to say that the Nera
20 and Brattle Group helped the insurers assess
21 the potential ultimate exposure to
22 Halliburton/Dresser entities regarding the
23 asbestos claims asserted against those
24 entities?
25

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1 A Yes. In terms of the underlying
2 claims, yes.

3 Q And it's also fair to say that they
4 also helped the joint defense group
5 understand the potential exposure that each
6 insurer may have with respect to those
7 asbestos claims under their own policies?

8 A I don't think that was the case.

9 Q You don't recall seeing any reports
10 in the file with regard to Nera or Brattle's
11 estimates of exposure under the insurers'
12 policies?

13 A I believe I remember reports
14 regarding claim counts, claim exposures,
15 claim values.

16 Q Right.

17 A And there are various multiple runs
18 and spreadsheets in terms of policies, but I
19 don't think there was any analysis -- I
20 don't recall any analysis that really put
21 those two together and said this is your
22 exposure.

23 Q Well, you said earlier that the
24 Nera and Brattle Group were retained to help
25

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1 the insurers to get to a number.

2 Do you recall saying that?

3 A Yes.

4 Q What did you mean by that?

5 A I think it was based on, I don't
6 know, approximate 20 or so carriers involved
7 in this matter, you basically needed a
8 clearinghouse, a collection unit of what
9 each carrier was willing to offer.

10 And I think basically Nera played
11 that role.

12 Q And so, they helped the insurers
13 determine as a group what number ultimately
14 would be acceptable to the group to offer to
15 Dresser/Halliburton in settlement?

16 A No, that was not my understanding.

17 Q So they were a clearinghouse to do
18 what then exactly?

19 A Like I said, to collect information
20 or collect dollar amounts and put it in some
21 kind of a presentable format in terms of any
22 time there was an offer being made to the
23 insured.

24 Q What was the offer -- so there were
25

16 (Pages 61 to 64)

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assigned it?

A That's correct.

Q Was anyone asking for an understanding of what AIG's potential exposure was based on modeling?

A Modeling of what?

Q Modeling by Nera or Brattle of AIG's companies' potential exposure to the Halliburton/Dresser claims?

A I don't believe so.

The exposure based on whatever Halliburton was putting out there in terms of its public comments and public statements and information that was conveyed to the joint carriers in the course of a mediation, you know, that was all widely known. Like I said, public in terms of expected total asbestos liabilities in excess of \$4 billion.

And so all the members of the carrier group were looking at the same information.

Q And so it was \$4 billion that the Dresser/Halliburton entities were claiming

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right?

A Correct.

Q Would you recommend paying the full AIG company policy limits if you had exposure information that said that you were only looking likely to pay 20 percent of those limits?

A No.

Q Would you want the very best information you could get with respect to AIG companies' potential exposure under their own policies on any claims, generally speaking?

A Sure.

Q You'd want to hire consultants to give you that information as accurately as they could give it to you; isn't that right?

A Sure.

Q You said that there were mediations between the joint defense group and the Halliburton/Dresser entities, correct?

A Correct.

Q And that took place over how long of a period of time?

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was their exposure for the asbestos claims, right? It was actually more than that, wasn't it?

A I believe it was excess of, yeah.

Q So why didn't the joint defense group just pay their limits?

A Because there was negotiation going on.

Q The limits, the collective total limits were less than the demand of \$4 point something billion; is that right?

A Yeah, I don't know if the 4 billion and change was a demand. I'm saying that's what they presented as their presumed liabilities.

But it's a mediation, it's a negotiation, you know. Everyone is fighting for their interests.

Q I understand that, but you are going in there in an intelligent way, right. Wouldn't you say that?

A We try.

Q You try. You try to be armed with the best information you have; isn't that

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A From the start of my involvement in the account, which was I guess sometime in '03, I believe it went well toward the end of '04, but it started even before my involvement in the account.

Q In 2002?

A I don't know when it started.

Q And who was the mediator?

A David Geronemus.

Q Did you attend any mediation sessions?

A Yes.

Q How many did you attend?

A I think about four or five.

Q And where were they?

A I believe they were all held at the offices of Bingham McCutchin in midtown.

Q Who did Bingham represent, if you know?

A I don't know if they represented anybody but they had a conference room that was large enough.

Q To hold the joint defense group?

A Yeah, you are talking about -- it

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<p style="text-align: right;">Page 73</p> <p>1 SIMON YOON</p> <p>2 was a conference room the size of a</p> <p>3 basketball court that was needed to</p> <p>4 accommodate everybody.</p> <p>5 Q Right.</p> <p>6 And who did you attend those</p> <p>7 mediation sessions with?</p> <p>8 A I was there with our counsels from</p> <p>9 Cozen.</p> <p>10 Q Mr. Wilkinson?</p> <p>11 A Wilkinson and also Shea.</p> <p>12 And also representatives from AIU</p> <p>13 claims.</p> <p>14 Q Who are they?</p> <p>15 A Jeff Millstone and Diane Proimos,</p> <p>16 P-R-O-I-M-O-S.</p> <p>17 Q Anyone else?</p> <p>18 A No. That's it.</p> <p>19 Q And at those mediation sessions,</p> <p>20 what took place?</p> <p>21 A The main thing I recall was, you</p> <p>22 know, talks about who was going to increase</p> <p>23 their offers, you know, what's the new offer</p> <p>24 going to be.</p> <p>25 There were probably some</p>	<p style="text-align: right;">Page 75</p> <p>1 SIMON YOON</p> <p>2 And but what would the discussion</p> <p>3 be based upon -- let me withdraw the</p> <p>4 question.</p> <p>5 There were points in time during</p> <p>6 this continuum of the mediation that the</p> <p>7 offers were in fact increased by the joint</p> <p>8 insurer group, right?</p> <p>9 A That's what I recall, yes.</p> <p>10 Q So when you were having these</p> <p>11 discussions about whether an amount of an</p> <p>12 offer would be increased, wasn't there a</p> <p>13 concern in the room about having a proper</p> <p>14 basis upon which to increase an offer?</p> <p>15 A I don't recall that.</p> <p>16 Q No.</p> <p>17 So you had no concern when if</p> <p>18 anyone came to you and said, "Mr. Yoon, we</p> <p>19 need you to increase AIG companies' offer by</p> <p>20 \$20 million."</p> <p>21 You accepted that without any</p> <p>22 reservation?</p> <p>23 MR. WILDER: Objection. Lacks</p> <p>24 foundation.</p> <p>25 A No, that's not what I said.</p>
<p style="text-align: right;">Page 74</p> <p>1 SIMON YOON</p> <p>2 administrative joint defense issues that I</p> <p>3 don't recall right now in terms of any</p> <p>4 specifics.</p> <p>5 But once again, the main thing I</p> <p>6 remember is, are we going to increase the</p> <p>7 offer, who is going to increase, that kind</p> <p>8 of stuff.</p> <p>9 Q And the discussions about</p> <p>10 increasing the offer, what was discussed</p> <p>11 with respect to whether the joint defense</p> <p>12 group is going to increase the offer or not?</p> <p>13 A All I recall is, once again,</p> <p>14 basically as a group, are we going to</p> <p>15 increase the offer because, you know, David</p> <p>16 Geronemus would come back and say, well,</p> <p>17 that last offer has been rejected.</p> <p>18 Then there was discussion with all</p> <p>19 the carriers while everyone's present in</p> <p>20 terms of, you know, once again, increase the</p> <p>21 offer, how much, by how much, you know,</p> <p>22 who is going to increase more, decrease, you</p> <p>23 know. That's generally all I recall about</p> <p>24 that.</p> <p>25 Q Right.</p>	<p style="text-align: right;">Page 76</p> <p>1 SIMON YOON</p> <p>2 I don't even understand the</p> <p>3 question.</p> <p>4 Q Well, I mean, there were points in</p> <p>5 time that we agreed that the offer by the</p> <p>6 sure group was increased, right?</p> <p>7 There had to be some basis on to</p> <p>8 increase the offer.</p> <p>9 Or was it just random?</p> <p>10 A No, it was not random, but it's</p> <p>11 based on -- I mean, all the carriers there</p> <p>12 including us, as I mentioned, were</p> <p>13 represented by counsel who were looking at</p> <p>14 their policies and doing their analysis.</p> <p>15 And otherwise in terms of these</p> <p>16 mediation sessions, it was once again</p> <p>17 horse-trading over numbers.</p> <p>18 If there was talk about increasing</p> <p>19 the offer, then it's based on the comfort</p> <p>20 level of that carrier in terms of whether</p> <p>21 they're going to increase their offer at</p> <p>22 all, how much they are going to increase it</p> <p>23 by.</p> <p>24 Q Mr. Yoon, do you think that when</p> <p>25 you deal with coverage counsel on any one</p>

19 (Pages 73 to 76)

<p style="text-align: right;">Page 77</p> <p>1 SIMON YOON</p> <p>2 claim that you have a pretty good</p> <p>3 understanding of what they're doing on</p> <p>4 behalf of AIG?</p> <p>5 MR. WILDER: Objection. Form.</p> <p>6 A Yes.</p> <p>7 Q You do.</p> <p>8 You feel you are well informed as</p> <p>9 to the activities of your coverage counsel?</p> <p>10 A Generally speaking, yes.</p> <p>11 Q Do you let them make decisions on</p> <p>12 their own without checking in with you</p> <p>13 first, generally speaking?</p> <p>14 A It depends what we're talking</p> <p>15 about.</p> <p>16 Q So, with respect to increasing</p> <p>17 offers on settlements.</p> <p>18 A Absolutely not.</p> <p>19 Q Do you feel like you ask for your</p> <p>20 coverage counsel to give you information</p> <p>21 relevant to determining the amount of AIG</p> <p>22 companies' exposure on any one given claim?</p> <p>23 MR. WILDER: Can you read back</p> <p>24 that question, please.</p> <p>25 (Requested portion of record read:</p>	<p style="text-align: right;">Page 79</p> <p>1 SIMON YOON</p> <p>2 joint carrier group?</p> <p>3 Q Right.</p> <p>4 A Yes, I believe so.</p> <p>5 Q And the AIG companies actually, as</p> <p>6 we saw in Exhibit 39, entered into their own</p> <p>7 settlement agreement with the Halliburton</p> <p>8 entities, right?</p> <p>9 A Ultimately, yes.</p> <p>10 Q And you can take a look, but that</p> <p>11 was entered into or was signed in November</p> <p>12 of 2004?</p> <p>13 A That's what I recall, yes.</p> <p>14 Q Mr. Yoon, do you recall retaining</p> <p>15 Alan Gray sometime in 2004 with respect to</p> <p>16 the Dresser/Halliburton claims?</p> <p>17 A I don't know if I did, but, yeah,</p> <p>18 we did.</p> <p>19 Q Do you know what generally you</p> <p>20 asked them to do with respect to the</p> <p>21 Dresser/Halliburton claims?</p> <p>22 A I believe it was to assist us in</p> <p>23 terms of focusing solely in terms of our</p> <p>24 policies and also to look over in terms of,</p> <p>25 you know, claim analysis and claim valuation</p>
<p style="text-align: right;">Page 78</p> <p>1 SIMON YOON</p> <p>2 "Q. Do you feel like you ask for</p> <p>3 your coverage counsel to give you</p> <p>4 information relevant to determining the</p> <p>5 amount of AIG companies' exposure on any</p> <p>6 one given claim?")</p> <p>7 (End of read-back.)</p> <p>8 MR. WILDER: Objection. Vague.</p> <p>9 A Generally, yes.</p> <p>10 Q Now, there came a time when there</p> <p>11 was an agreement in principle between the</p> <p>12 joint defense and the Halliburton/Dresser</p> <p>13 entities, wasn't there, to settle the</p> <p>14 coverage claim?</p> <p>15 A Yes.</p> <p>16 Q And that happened sometime in</p> <p>17 spring of 2004; isn't that right?</p> <p>18 A I believe so, yes.</p> <p>19 Q And then after that point, the</p> <p>20 parties were negotiating the actual terms of</p> <p>21 the settlement agreements that they were</p> <p>22 going to enter into; isn't that right?</p> <p>23 MR. WILDER: Objection. Vague.</p> <p>24 Overbroad.</p> <p>25 A You mean, are you talking about the</p>	<p style="text-align: right;">Page 80</p> <p>1 SIMON YOON</p> <p>2 what information coming from I guess Brattle</p> <p>3 and Nera.</p> <p>4 Q Okay.</p> <p>5 And the information coming from</p> <p>6 Brattle and Nera was what generally?</p> <p>7 A As I said, information about claim</p> <p>8 values and claim counts.</p> <p>9 MR. KENNEDY: Why don't we take</p> <p>10 a five-minute break.</p> <p>11 (A brief recess was</p> <p>12 taken.)</p> <p>13 MR. KENNEDY: Let's mark as</p> <p>14 Clearwater Exhibit 40, a document</p> <p>15 Bates-stamped GS-CONFIDENTIAL-004341</p> <p>16 to 004441.</p> <p>17 (Clearwater Exhibit 40, E-mail</p> <p>18 chain, top e-mail dated Thursday,</p> <p>19 March 11, 2004, 8:54 p.m., with</p> <p>20 attachments, GS-CONFIDENTIAL-004341</p> <p>21 through GS-CONFIDENTIAL-004441, was</p> <p>22 marked for Identification.)</p> <p>23 MR. KENNEDY: It's from Cliff</p> <p>24 Hendler from Crowell Moring to John</p> <p>25 Shea and others. Subject: Forward</p>

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2 months. At least at that time, it was.

3 Q Did that change, that period of
4 time when it got updated?5 A I couldn't say. In '07 I left the
6 department.

7 Q Why don't we get into that.

8 So from 2004 you were manager and
9 then you left the department in 2007?

10 A Yeah. October of 2007.

11 Q And where did you go?

12 A I went to the legal department
13 within what's called the Domestic Brokerage
14 Group.

15 Q And what did you do there?

16 A I serviced an underwriting
17 division.

18 Q What underwriting division?

19 A It was the Risk Management Group.

20 Q What type of risk did they write,
21 or did they write risks?

22 A All types.

23 Q And from 2004 to 2007, did your
24 position change or were you always manager?

25 A No. Sometime in 2005, I became an

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2 assistant vice president.

3 Q And what were your responsibilities
4 then?5 A I was still at one point heading a
6 mainstream group and then later on and up to
7 the time I left the department, I was
8 heading another complex group.

9 Q And what was that complex group?

10 A We called it the Complex OMT.
11 Other mass tort. Other than --

12 Q Other than asbestos?

13 A Right. Other than asbestos.

14 Q And you were an AVP in that
15 position, too, in the complex unit?

16 A Yes.

17 Q And how many people reported to you
18 as AVP?19 A When I was heading the mainstream
20 unit as an AVP, it ranged anywhere from
21 about five to about eight people.22 As AVP, the Complex OMT Group right
23 before I left was up to three people.24 Q Now, in May of 2004, the joint
25 defense group reached a settlement in

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2 principle with the Halliburton/Dresser
3 entities, right?

4 A That's what I recall, yes.

5 Q And it was based upon a global
6 settlement number, right?

7 A Correct.

8 Q And there was an understanding by
9 the insurers that there would be a
10 distribution by each insurer to that total
11 amount, settlement amount?

12 A Yes.

13 Q And how was that -- how was each
14 carrier's contribution calculated?

15 A I do not know.

16 Q Who would know the answer to that
17 question?

18 A I have no idea.

19 Q So did you ask what AIG's
20 contribution amount would be towards that
21 global settlement?

22 A Absolutely, yes.

23 Q Did you find out what it was?

24 A Not only did I find out, I was
25 involved in terms of putting together our

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2 number.

3 Q What did you do to put together the
4 number?5 A We will keep assessing -- once
6 again, it goes back to the horse-trading
7 over numbers.8 What minimum amounts can we
9 increase our offer by so as to be acceptable
10 to the insured. And that was the whole
11 process really in terms of the whole
12 mediation, was to get to drive our number,
13 the total number for us as low as possible.14 And as soon as that was done,
15 within the joint carrier group, because
16 there were certainly benefits for us to do
17 that within the joint carrier group. The
18 asbestos claimants were given discounts.
19 The insured because of its urgency in terms
20 of finalizing its reorg plan was willing to
21 give carriers discounts.22 We talked about the 524G protection
23 that the carriers will also be beneficiary
24 of.

25 And so we stay in the group to

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<p style="text-align: right;">Page 105</p> <p>1 SIMON YOON</p> <p>2 get -- for our interest to drive our overall</p> <p>3 number down.</p> <p>4 Once we got to a number that we</p> <p>5 were comfortable with, at that point then we</p> <p>6 basically, you know, deviated or departed</p> <p>7 from the group because we had our second</p> <p>8 interests that we had to effectuate which</p> <p>9 was to get the longest possible pay stream.</p> <p>10 Q In your view did the carriers get a</p> <p>11 good deal from Halliburton?</p> <p>12 A I was comfortable with what we got.</p> <p>13 MR. KENNEDY: Let's mark as</p> <p>14 Clearwater Exhibit 42, a document</p> <p>15 that's entitled AIG's Total</p> <p>16 Obligation As Per 4-26-04 Settlement</p> <p>17 Suggestion.</p> <p>18 And it's Bates-stamped</p> <p>19 3-GRANITE-007178 through</p> <p>20 3-GRANITE-007179.</p> <p>21 (Clearwater Exhibit 42, AIG's</p> <p>22 Total Obligation As Per 4-26-04</p> <p>23 Settlement Suggestion,</p> <p>24 3-GRANITE-007178 through</p> <p>25 3-GRANITE-007179, was marked for</p>	<p style="text-align: right;">Page 107</p> <p>1 SIMON YOON</p> <p>2 Q But, you appreciate the fact that a</p> <p>3 reader without any context would not</p> <p>4 understand what that means?</p> <p>5 A Okay.</p> <p>6 Q So what's it in reference to and</p> <p>7 what does it signify?</p> <p>8 MR. WILDER: Objection. Asked</p> <p>9 and answered.</p> <p>10 A It says here "nominal amounts" and</p> <p>11 the net -- "NPV" stands for net present</p> <p>12 value amount. Under the '09 and 2010</p> <p>13 payouts.</p> <p>14 Q What are the '09 and 2010 payouts.</p> <p>15 What does that mean?</p> <p>16 A The best of my recollection, that's</p> <p>17 probably referring back to whatever Nera was</p> <p>18 running at that time.</p> <p>19 Q Okay.</p> <p>20 Whatever Nera was running in to</p> <p>21 their reports?</p> <p>22 A In terms of their runs as to what</p> <p>23 the carriers' contributions would be.</p> <p>24 Q Then you see under this -- under</p> <p>25 the chart here there's two asterisks and it</p>
<p style="text-align: right;">Page 106</p> <p>1 SIMON YOON</p> <p>2 Identification.)</p> <p>3 BY MR. KENNEDY:</p> <p>4 Q Take as much time as you'd like to</p> <p>5 look at it.</p> <p>6 My first question is: Do you see</p> <p>7 the handwriting on this document?</p> <p>8 A Yes.</p> <p>9 Q Is it yours?</p> <p>10 A Yes.</p> <p>11 Q You see in the middle of the page</p> <p>12 that says "our share under 2009 and 2010</p> <p>13 payouts"?</p> <p>14 A Yes, I see that.</p> <p>15 Q And then you have a nominal amount</p> <p>16 of 223.2 million and then an NPV 5.5 percent</p> <p>17 of 173.6 million.</p> <p>18 Do you see that?</p> <p>19 A I do see that.</p> <p>20 Q Why did you write those notes?</p> <p>21 A Why did I write them?</p> <p>22 Q Let me withdraw the question.</p> <p>23 What do those notes mean?</p> <p>24 A What it says, "our share under the</p> <p>25 2009 and 2010 payouts."</p>	<p style="text-align: right;">Page 108</p> <p>1 SIMON YOON</p> <p>2 says "This percentage represents the average</p> <p>3 of those percentages obtained for those</p> <p>4 policies for which we are able to obtain</p> <p>5 Nets," capital N, "at this time."</p> <p>6 Do you see that?</p> <p>7 A I see that.</p> <p>8 Q What is the "Nets" reference?</p> <p>9 A Nets is referring to, from what I</p> <p>10 recall looking at this, I'm talking about</p> <p>11 what our final obligation would be outside</p> <p>12 of or taking into account reinsurance.</p> <p>13 Q And did you calculate Nets at all?</p> <p>14 A No.</p> <p>15 Q Who would do that? Whose</p> <p>16 responsibility would that be?</p> <p>17 A It would be someone like Paul</p> <p>18 Colon.</p> <p>19 MR. KENNEDY: Let's mark as</p> <p>20 Clearwater Exhibit 43, an e-mail from</p> <p>21 Jeff Genereux to Chris Eskeland dated</p> <p>22 May 11, 2004. Bates-stamped</p> <p>23 GRANITE-ALAN GRAY-1242 to 1243.</p> <p>24 (Clearwater Exhibit 43, E-mail</p> <p>25 chain, top e-mail dated Tuesday,</p>

27 (Pages 105 to 108)

<p style="text-align: right;">Page 109</p> <p>1 SIMON YOON</p> <p>2 May 11, 2004, 8:39 a.m.,</p> <p>3 GRANITE-ALAN GRAY-1242 and</p> <p>4 GRANITE-ALAN GRAY-1243, was marked</p> <p>5 for Identification.)</p> <p>6 BY MR. KENNEDY:</p> <p>7 Q Who is Jeff Genereux?</p> <p>8 A Jeff Genereux works at Alan Gray.</p> <p>9 Q And did you work with him on the</p> <p>10 Dresser account?</p> <p>11 A Yes.</p> <p>12 Q And who is Mike Ceppi?</p> <p>13 A Mike Ceppi is also with Alan Gray.</p> <p>14 Q Is Mike Ceppi the supervisor of</p> <p>15 Jeff Genereux, do you know?</p> <p>16 A I believe he is, yes.</p> <p>17 Q Now, it says, if you look at the</p> <p>18 Jeff Genereux e-mail of Monday, May 10,</p> <p>19 2004.</p> <p>20 Do you see that?</p> <p>21 A The 5:51 p.m. one? Yes.</p> <p>22 Q It says "Mike, Attached are</p> <p>23 preliminary numbers on Halliburton as</p> <p>24 follows: One, AIG has agreed to pay</p> <p>25 223.2 million with a value at 5.5 percent of</p>	<p style="text-align: right;">Page 111</p> <p>1 SIMON YOON</p> <p>2 Q That was the total dollar amount,</p> <p>3 right?</p> <p>4 A Under present value basis, yes.</p> <p>5 173.</p> <p>6 Q And the net present value of an</p> <p>7 amount of \$223 million, was that the nominal</p> <p>8 amount?</p> <p>9 A Under our ultimate agreement?</p> <p>10 Q No. Under the global settlement</p> <p>11 agreement with the Halliburton/Dresser</p> <p>12 entities.</p> <p>13 Did the AIG companies agree to a</p> <p>14 \$223.2 million nominal amount?</p> <p>15 A No.</p> <p>16 Q No?</p> <p>17 A No. Because all we cared about in</p> <p>18 terms of the joint carrier group was the</p> <p>19 NPV. Because once we drove the NPV level</p> <p>20 down to a level we were comfortable with, as</p> <p>21 I said before, then we are going to leave</p> <p>22 the group because then we had to go and</p> <p>23 pursue the second key component for us,</p> <p>24 which is the longest possible pay stream</p> <p>25 that we can get.</p>
<p style="text-align: right;">Page 110</p> <p>1 SIMON YOON</p> <p>2 \$173.56 million."</p> <p>3 Do you see that, Mr. Yoon?</p> <p>4 A I see that.</p> <p>5 Q Do you know what he's referencing</p> <p>6 there?</p> <p>7 A I think he's talking about the NPV</p> <p>8 value of 173 that AIG companies agreed to</p> <p>9 and based on his calculation here in terms</p> <p>10 of these time periods that he's dealing</p> <p>11 with, I guess it's the '09 and 2010, what</p> <p>12 the nominal value of that would be.</p> <p>13 Q And under the settlement agreement</p> <p>14 that we looked at earlier that was marked as</p> <p>15 Exhibit 39, Halliburton agreed to accept a</p> <p>16 payment of \$173.6 million roughly for the</p> <p>17 settlement of its coverage claims against</p> <p>18 AIG companies; isn't that right?</p> <p>19 A That was the NPV value, yes.</p> <p>20 Q That was the amount of money that</p> <p>21 they agreed to accept to release the AIG</p> <p>22 companies of all of its claims under the</p> <p>23 policies that were in dispute, right?</p> <p>24 A If you calculate that as the</p> <p>25 present value, yes, the NPV, yes.</p>	<p style="text-align: right;">Page 112</p> <p>1 SIMON YOON</p> <p>2 Q And that's where Lehman Brothers</p> <p>3 came in, right?</p> <p>4 A Ultimately, yes.</p> <p>5 Q And the reference here on the</p> <p>6 second sentence says "if AIG/Lehman pays</p> <p>7 Halliburton 165 million."</p> <p>8 Do you see that?</p> <p>9 A I see that.</p> <p>10 Q What was the reference to Lehman?</p> <p>11 MR. WILDER: Object to the</p> <p>12 form. Also speculation.</p> <p>13 A I don't know. This is not my</p> <p>14 e-mail. I don't know.</p> <p>15 Q All right.</p> <p>16 Do you know that AIG had worked</p> <p>17 with Lehman before to settle other asbestos</p> <p>18 accounts?</p> <p>19 A I didn't know that.</p> <p>20 Q You didn't know that?</p> <p>21 A I did not know that until recently.</p> <p>22 Q When did you learn that?</p> <p>23 A While getting prepped last month in</p> <p>24 terms of the Lexington/Clearwater</p> <p>25 litigation.</p>

<p style="text-align: right;">Page 113</p> <p>1 SIMON YOON</p> <p>2 Q And the payment date here that's in</p> <p>3 the chart, if you look at it. It says,</p> <p>4 "below the discount rate of 5.5 percent."</p> <p>5 You see the chart there where the</p> <p>6 first entry is "payment date"?</p> <p>7 A I see that.</p> <p>8 Q And it has under that two dates,</p> <p>9 7-05-09 and 7-05-2010.</p> <p>10 Do you see that?</p> <p>11 A I see that.</p> <p>12 Q And that is actually the same</p> <p>13 payment dates reflected in Exhibit 42 in</p> <p>14 your handwriting, right?</p> <p>15 A I can't say for sure because in</p> <p>16 Exhibit 42 I just said '09 and 2010.</p> <p>17 Q So you can't say for certain?</p> <p>18 A No.</p> <p>19 Q Okay.</p> <p>20 If you look at Paragraph 2, says,</p> <p>21 "Assuming AIG can get Halliburton to agree</p> <p>22 to take 165, I put together a payment stream</p> <p>23 modeled somewhat after the Pfizer</p> <p>24 Scenario 3."</p> <p>25 Do you see that?</p>	<p style="text-align: right;">Page 115</p> <p>1 SIMON YOON</p> <p>2 Q Yes. 2004.</p> <p>3 A I see it.</p> <p>4 Q And it's to, among others, John</p> <p>5 Shea?</p> <p>6 A Yes.</p> <p>7 Q And he is attaching a draft term</p> <p>8 sheet from Dresser/Halliburton.</p> <p>9 If you look to the attachment,</p> <p>10 which begins on 002698.</p> <p>11 Do you see that?</p> <p>12 A Yes.</p> <p>13 Q And do you have an understanding</p> <p>14 generally that at this point in June of</p> <p>15 2004, the parties were discussing the</p> <p>16 drafting of their settlement agreements that</p> <p>17 they would enter into?</p> <p>18 A That's what I recall.</p> <p>19 Q And this was after, again, the</p> <p>20 settlement in principle between the joint</p> <p>21 defense group and the Halliburton/Dresser</p> <p>22 entities in May of 2004?</p> <p>23 A I'm not sure about the May part,</p> <p>24 but yeah, I think generally, yes.</p> <p>25 Q Calling your attention to the first</p>
<p style="text-align: right;">Page 114</p> <p>1 SIMON YOON</p> <p>2 A I see that.</p> <p>3 Q Do you have an understanding of</p> <p>4 what Pfizer Scenario 3 is?</p> <p>5 A No.</p> <p>6 MR. KENNEDY: Let's mark as</p> <p>7 Clearwater Exhibit 44, an e-mail from</p> <p>8 HWL EB Parks to various individuals</p> <p>9 including David Florin, dated June 9,</p> <p>10 2004. And it's with attachment and</p> <p>11 it's Bates-stamped GS-</p> <p>12 CONFIDENTIAL-002696 through 002704.</p> <p>13 (Clearwater Exhibit 44, E-mail</p> <p>14 chain, top e-mail dated Wednesday,</p> <p>15 June 9, 2004, 9:15 a.m.,</p> <p>16 GS-CONFIDENTIAL-002696 through GS-</p> <p>17 CONFIDENTIAL-002704, was marked for</p> <p>18 Identification.)</p> <p>19 BY MR. KENNEDY:</p> <p>20 Q Mr. Yoon, I want to direct your</p> <p>21 attention to the e-mail below in the middle</p> <p>22 of page.</p> <p>23 It's from Michael Zanic.</p> <p>24 Do you see that?</p> <p>25 A June 7, 4:31 p.m.?</p>	<p style="text-align: right;">Page 116</p> <p>1 SIMON YOON</p> <p>2 page of the term sheet, it says Paragraph 1.</p> <p>3 "Payment."</p> <p>4 And it says "Subject to the</p> <p>5 fulfillment of each of the conditions</p> <p>6 identified herein, each of the participating</p> <p>7 carriers shall make cash contributions to</p> <p>8 DII Industries in the amounts (each payment</p> <p>9 obligation and collectively the payment</p> <p>10 obligations) and on the dates identified in</p> <p>11 Attachment 2."</p> <p>12 Then it says "The aggregate amount</p> <p>13 of the payment obligation is hereafter</p> <p>14 collectively referred to as the settlement</p> <p>15 amount."</p> <p>16 A I see that.</p> <p>17 Q Is that collective amount the</p> <p>18 global amount that the joint defense group</p> <p>19 agreed to pay to Halliburton/Dresser</p> <p>20 entities?</p> <p>21 A I'm not sure about that. And it</p> <p>22 certainly did not include -- I don't think</p> <p>23 it included our part.</p> <p>24 Q Okay.</p> <p>25 At this point when it references</p>

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<p>1 SIMON YOON</p> <p>2 participating carriers, AIG companies were</p> <p>3 participating carriers, right?</p> <p>4 A I don't specifically -- I don't</p> <p>5 recall. I think we were.</p> <p>6 Q Look at Footnote 2 and that's</p> <p>7 really -- is it says "The precise form and</p> <p>8 payment schedule for AIG's agreed NPV</p> <p>9 payment obligations will be determined on</p> <p>10 terms acceptable Halliburton and AIG."</p> <p>11 A I see that.</p> <p>12 Q And that I think we agree that the</p> <p>13 NPV payment obligations was \$173.6 million,</p> <p>14 right?</p> <p>15 A 173 and change.</p> <p>16 Q And change yeah.</p> <p>17 Now, the reason for this footnote</p> <p>18 was to address AIG's second concern, as you</p> <p>19 said, was just to get the longest payment</p> <p>20 stream possible, right?</p> <p>21 A That is correct.</p> <p>22 Q And what was the interest of AIG to</p> <p>23 have the longest payment stream possible?</p> <p>24 A I think as with anybody, you know,</p> <p>25 it allowed you to better control your cash</p>	<p>1 SIMON YOON</p> <p>2 forwarding on to you which are the</p> <p>3 attachments and those look like they begin</p> <p>4 on 6814 and 6815.</p> <p>5 A Okay.</p> <p>6 Q And you see there's identification</p> <p>7 of the participating carriers including</p> <p>8 various AIG companies, right?</p> <p>9 I'm sorry. I'm at 6859.</p> <p>10 A Okay.</p> <p>11 It's says "Payments by Carrier,</p> <p>12 Participating Carriers Only."</p> <p>13 Q And if you look at the title, it</p> <p>14 says "Payments by Carrier, Participating</p> <p>15 Carriers Only, NPV at 5.5 percent."</p> <p>16 And then if you look directly down</p> <p>17 it says "Nominal payments for participating</p> <p>18 carriers."</p> <p>19 A I see that heading.</p> <p>20 Q And you see the dates January 1,</p> <p>21 2005 to January 1, 2010?</p> <p>22 A July 1, 2010.</p> <p>23 Q To July 1, 2010.</p> <p>24 A Yes, I see that.</p> <p>25 Q If you look for the AIG companies,</p>
Page 118	Page 120
<p>1 SIMON YOON</p> <p>2 flow.</p> <p>3 Q So by participating with the joint</p> <p>4 defense group, you got the best deal or</p> <p>5 AIG's companies got the best deal they could</p> <p>6 because they got Halliburton to take for the</p> <p>7 AIG companies' share the \$173.6 million net</p> <p>8 present value amount?</p> <p>9 A Correct.</p> <p>10 MR. KENNEDY: If we can mark as</p> <p>11 Clearwater Exhibit 45, an e-mail from</p> <p>12 Thomas Wilkinson to Mr. Yoon dated</p> <p>13 May 8, 2004 and it's Bates-stamped</p> <p>14 GRANITE-STATE-PRIV-0006812 to</p> <p>15 0006815.</p> <p>16 (Clearwater Exhibit 45, E-mail</p> <p>17 dated Saturday, May 8, 2004,</p> <p>18 11:17 p.m., with attachments,</p> <p>19 GRANITE-STATE-PRIV-0006812 to</p> <p>20 GRANITE-STATE-PRIV-0006815, was</p> <p>21 marked for Identification.)</p> <p>22 BY MR. KENNEDY:</p> <p>23 Q Take as much time as you'd like to</p> <p>24 look this over, but I wanted to call your</p> <p>25 attention to what Mr. Wilkinson seemed to be</p>	<p>1 SIMON YOON</p> <p>2 their entries for July 1, 2009 and July 1,</p> <p>3 2010.</p> <p>4 A You want me to look for all the --</p> <p>5 Q You can look at them but basically</p> <p>6 I just want to see if you are in agreement</p> <p>7 that generally you don't see any AIG company</p> <p>8 with amounts prior to July 1, 2009?</p> <p>9 A From my quick review, that appears</p> <p>10 to be the case.</p> <p>11 Q And then we talked about your prior</p> <p>12 exhibit here, if you look to 42.</p> <p>13 A Okay.</p> <p>14 Q And you wrote "Our share under</p> <p>15 2009/2010 payments"?</p> <p>16 A Yes.</p> <p>17 Q And then you have the nominal</p> <p>18 amount and the NPV amount, right?</p> <p>19 A Yes.</p> <p>20 Q Is that what you are referring to,</p> <p>21 is this time period here on this sheet?</p> <p>22 A I can't say one way or the other</p> <p>23 right now.</p> <p>24 Q You think that's correct?</p> <p>25 A I can't say.</p>

30 (Pages 117 to 120)

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SIMON YOON

Q Well, why was Mr. Wilkinson sending this to you?

MR. WILDER: Objection. Calls for speculation.

A I don't know why.

Q You have no idea, Mr. Yoon?

A He was sending it because I'm thinking because he's our counsel and this is one of the things that's happened within the carrier group.

Q Right.

But you understand that he's sending you these as the global numbers that the joint defense group agreed to with respect to the Halliburton/Dresser settlement?

A The joint carrier group agreed to -- I think these were the amounts that the carriers individually were willing to contribute. I believe.

Q And this was the Nera spreadsheet you referred to earlier, isn't it?

A This is one of Nera's spreadsheets. There are lots of Nera spreadsheets.

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SIMON YOON

spreadsheet as the one we were just looking at in Exhibit 45?

A Let me just go back to Exhibit 45.

From my quick review, it seems to be the same thing from Exhibit 45.

Q Okay.

And you see that below here under the Participating Carriers column under the Nominal and the NPV columns?

A Okay.

Q There's your handwriting, right?

A I believe so, yes.

Q Is it your understanding that the \$223,179,583 is AIG company's share of the total nominal amount on this document?

A I think that's what I was adding up based on what's on this sheet which has a nominal calculation up to July 2010.

Q But what we saw in the term sheet and what you said is -- AIG was interested in the net present value amount, right?

A Correct.

Q In the settlement with Dresser/Halliburton?

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SIMON YOON

Q You are right.

MR. KENNEDY: Let's mark as Clearwater Exhibit 46.

And it's an e-mail from Mr. Yoon to Leticia Diaz dated February 10, 2005.

And it's with attachments.

And it's Bates-stamped 3-GRANITE-007154 through 3-GRANITE-007176.

(Clearwater Exhibit 46, E-mail, dated Thursday, February 10, 2005, 1:35 p.m., with attachments, 3-GRANITE-007154 through 3-GRANITE-007176, was marked for Identification.)

A Okay.

Q You can take all the time you'd like to look at this document, but I'd like you to go to what's been Bates-stamped 3-GRANITE-007169.

A Okay.

Q Is that your handwriting?

A This looks like my handwriting.

Q And you recognize this Nera

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SIMON YOON

A Correct.

Q And you calculated that amount, didn't you?

A The net present value? Yes.

Q And where is that?

A Right next to -- on the Participating Carrier columns.

There's one for nominal and one for NPV.

Q And that's the amount that the AIG companies on the net present value agreed to contribute to the total net present value amount of the carrier group, right?

A Carrier group offer, yes.

Q Which the total amount is \$624,984,393, right?

A Regarding that, I could only go by what's here.

That appears to be the case.

Q Now, if you go to 3-GRANITE-007165. And it's up further in the same document.

A Okay.

Q This looks like another Nera spreadsheet; is that right?

31 (Pages 121 to 124)

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1 SIMON YOON
 2 contribution -- let me withdraw the
 3 question.
 4 Do you understand that this is a
 5 summary of the nominal payments that the
 6 participating carriers offered to make to
 7 Halliburton/Dresser?
 8 A That's my understanding.
 9 Q And you also see that it's a
 10 summary or total amount of the net present
 11 value amount that the participating carriers
 12 were offering to pay Dresser/Halliburton?
 13 A It appears to be. Just has the
 14 "NPV" below what appears to be the nominal
 15 amount.
 16 Q Which you can find those numbers on
 17 the preceding page, right?
 18 A I believe so, yes.
 19 Q And then if you look
 20 2-GRANITE-001832 and we are on Exhibit 47.
 21 So the one I just marked. First
 22 page.
 23 A Okay.
 24 Q And then if you go to
 25 2-GRANITE-1838.

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1 SIMON YOON
 2 A Okay.
 3 Q You see at the bottom of 1838 the
 4 NPV at 5.5 percent, the total amount?
 5 A Yes. What it says here is looks
 6 like 624,984,393.
 7 Q Right.
 8 And you've got the same footnote
 9 that you seen before, Number 2, where it
 10 says "The precise form and payment schedule
 11 for AIG's agreed NPV payment obligations
 12 will be determined on terms acceptable to
 13 Halliburton and AIG."
 14 A I see that.
 15 Q Okay.
 16 Now, if you go to the first page of
 17 Exhibit 47.
 18 A Okay.
 19 Q You see the "AIU companies"?
 20 A Yes.
 21 Q And then you see under the Nominal
 22 column under Participating Carriers?
 23 A Yes.
 24 Q You see Footnote 2?
 25 A Yes.

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1 SIMON YOON
 2 Q And then you go to Footnote 2 and
 3 it's just as we read, right?
 4 A That appears to be.
 5 Q Because we established that AIG at
 6 this point in time, in May of 2004, is
 7 interested only in contributing to the net
 8 value amount to the global settlement
 9 agreement with Halliburton and Dresser?
 10 A Not interested?
 11 Q That's what they agreed to?
 12 A The only thing that we agreed to at
 13 that point was the NPV value of 173 and
 14 that, you know, wasn't the end-all of
 15 whatever agreement was evident because, as I
 16 said, the second component was the longest
 17 possible pay stream that we wanted.
 18 Q I understand that part.
 19 But in terms of the net present
 20 value amounts, if you go back to
 21 2-GRANITE-1832 to 1837.
 22 A Okay.
 23 Q Within those pages, if you look at
 24 that, there are only -- next to "AIG
 25 Companies" there's only the net present

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1 SIMON YOON
 2 value amount?
 3 A From my quick review, that appears
 4 to be.
 5 Actually, I'm not looking at all
 6 the other carriers but I'm looking at what
 7 seems to be -- what are AIG member companies
 8 and they only seem to have the NPV values.
 9 Q And if you add up those net present
 10 value amounts, we know it's \$173,620,556,
 11 right?
 12 A If I did my original calculation
 13 correctly on Exhibit 44.
 14 Q Where are you looking? Exhibit 46?
 15 A Is it 46?
 16 So if I did my calculations
 17 correctly on Exhibit 46, it would be
 18 173 million and change.
 19 Q Okay.
 20 So these spreadsheets then are,
 21 these are the spreadsheets of the
 22 carriers -- what each carrier agreed to
 23 contribute on either a nominal basis or a
 24 net present value basis to the global
 25 settlement agreement offer to Halliburton

33 (Pages 129 to 132)

<p style="text-align: right;">Page 133</p> <p>1 SIMON YOON 2 and Dresser? 3 A That's my understanding, yes. 4 Q Now, looking at the other carriers, 5 do you know whether they paid the nominal 6 amount or their net present value amount? 7 A I do not know. 8 Q Let's just talk about the 9 settlement agreement without looking at 10 documents and maybe we can avoid marking 11 more exhibits. 12 A Okay. 13 Q There was interest by AIG to pay 14 their net present value amount over the 15 longest period of time possible, right? 16 A Correct. 17 Q So they had discussions -- you had 18 discussions or AIG had discussions with 19 Halliburton regarding that, right? 20 A I believe starting from April or 21 maybe even a little earlier in 2004, once 22 the NPV values were -- the final NPV values 23 were being put together that was acceptable 24 or getting close to being acceptable to 25 Dresser or Halliburton, for AIG member</p>	<p style="text-align: right;">Page 135</p> <p>1 SIMON YOON 2 to that concern or they understood it -- let 3 me withdraw the question. 4 That they understood that issue 5 that AIG was raising about the longest 6 possible payment stream? 7 A I don't think they cared about 8 that. 9 What Halliburton was expressing to 10 us was that they wanted as much money 11 upfront as possible. 12 Q So as long as there was an 13 arrangement where they would get their money 14 as quickly as possible, they were fine with 15 AIG arranging for some other alternative 16 payment options. 17 Is that fair? 18 A No. When they expressed to us that 19 they wanted as much money upfront as early 20 as possible and approached us about that, we 21 tried to facilitate that process. Because 22 there was also, as you pointed out, some 23 benefit to us as well, a key benefit which 24 was through that we could try to lengthen 25 our pay stream.</p>
<p style="text-align: right;">Page 134</p> <p>1 SIMON YOON 2 companies, I was already looking for the 3 longest possible pay stream. 4 And we may have communicated that 5 at that time. 6 Q To Halliburton? 7 MR. WILDER: Could you read 8 back that question and answer. 9 (Requested portion of record read: 10 "Q. So they had discussions -- you 11 had discussions or AIG had discussions 12 with Halliburton regarding that, right? 13 "A. I believe starting from April 14 or maybe even a little earlier in 2004, 15 once the NPV values were -- the final NPV 16 values were being put together that was 17 acceptable or getting close to being 18 acceptable to Dresser or Halliburton, for 19 AIG member companies, I was already 20 looking for the longest possible pay 21 stream.") 22 MR. WILDER: Thank you. 23 BY MR. KENNEDY: 24 Q And is it fair to say that 25 Halliburton -- fair to say that they agreed</p>	<p style="text-align: right;">Page 136</p> <p>1 SIMON YOON 2 Q Okay. 3 MR. KENNEDY: You want to take 4 a break now. 5 MR. WILDER: For lunch. 6 (A luncheon recess was 7 taken at 12:59 p.m. to 1:52 p.m.) 8 AFTERNOON SESSION 9 SIMON YOON, 10 resumed, having been previously 11 duly sworn, was examined 12 and testified further as follows: 13 CONTINUED EXAMINATION BY MR. KENNEDY: 14 MR. KENNEDY: I'll mark as 15 Clearwater Exhibit 48, an e-mail from 16 Jeff Genereux dated May 5, 2004 to 17 Mike Ceppi. 18 And it's Bates-stamped GRANITE-ALAN 19 GRAY-1427 to GRANITE-ALAN GRAY-1428. 20 (Clearwater Exhibit 48, E-mail 21 chain, top e-mail dated May 5, 22 2004, GRANITE-ALAN GRAY-1427 and 23 GRANITE-ALAN GRAY-1428, was marked 24 for Identification.) 25</p>

<p style="text-align: right;">Page 141</p> <p>1 SIMON YOON</p> <p>2 be the agreement to partition the</p> <p>3 Studebaker-Worthington/McGraw-Edison limits?</p> <p>4 A It appears to be.</p> <p>5 Q And it happened in and around the</p> <p>6 time of the final written settlements</p> <p>7 between AIG companies and Halliburton and</p> <p>8 Dresser, right?</p> <p>9 A I think around that time period,</p> <p>10 yeah.</p> <p>11 Q November 2004?</p> <p>12 A Yes.</p> <p>13 Q Then if we go back to Exhibit 48,</p> <p>14 which we were just on.</p> <p>15 A Yup.</p> <p>16 Q Staying on the second page there.</p> <p>17 Two, it states "Dresser will</p> <p>18 consider a longer payout."</p> <p>19 Do you see that?</p> <p>20 A Yes.</p> <p>21 Q And then it says "Dresser would be</p> <p>22 interested in financial instrument to</p> <p>23 finance long-term payout as long as they can</p> <p>24 sell it to the market and wants AIG to do it</p> <p>25 because they are more sophisticated at it."</p>	<p style="text-align: right;">Page 143</p> <p>1 SIMON YOON</p> <p>2 Q But at this point, it appears that</p> <p>3 they were agreeable to consider some sort of</p> <p>4 financing of the AIG amount as long as they</p> <p>5 were paid right away?</p> <p>6 A I think that was generally the</p> <p>7 case.</p> <p>8 Q Now, you see 4, it says "Mediator</p> <p>9 is going back to the group requesting</p> <p>10 everyone increase NPV by 2 percent."</p> <p>11 A I see that.</p> <p>12 Q And it says "up to certain amounts,</p> <p>13 to 640 million."</p> <p>14 Do you see that?</p> <p>15 A I see that.</p> <p>16 Q And we looked at documents earlier,</p> <p>17 the Nera spreadsheets that reflect actually</p> <p>18 the net present value amount ended up being</p> <p>19 around \$624 million, right?</p> <p>20 A That was the certainly NPV value in</p> <p>21 terms of exhibits you showed me. I'm not</p> <p>22 sure what stage those discussions involving</p> <p>23 the mediator those prior exhibits referenced</p> <p>24 but that was certainly one of the amounts at</p> <p>25 issue.</p>
<p style="text-align: right;">Page 142</p> <p>1 SIMON YOON</p> <p>2 Appears that 2 and 3 go to the</p> <p>3 subject we have already discussed and you've</p> <p>4 already testified to and that is AIG was</p> <p>5 interested in a longer payout stream than</p> <p>6 what Dresser wanted; is that fair to say?</p> <p>7 A I think generally, yeah.</p> <p>8 Q Do you know how quickly Dresser</p> <p>9 wanted AIG to make their payment -- their</p> <p>10 net present value payment?</p> <p>11 A They wanted it yesterday.</p> <p>12 As I said before, they wanted as</p> <p>13 much money as early as possible.</p> <p>14 Q From all carriers?</p> <p>15 A From all carriers and I think</p> <p>16 that's the reason -- and I believe it's</p> <p>17 reflected in terms of term sheets where they</p> <p>18 specifically asked for I believe the ability</p> <p>19 to assign the agreement with even the joint</p> <p>20 carriers.</p> <p>21 Q So they could sell the payment</p> <p>22 obligations out to the marketplace, right?</p> <p>23 A That was my understanding.</p> <p>24 Q So they get immediate money?</p> <p>25 A Correct.</p>	<p style="text-align: right;">Page 144</p> <p>1 SIMON YOON</p> <p>2 There were so many. There were so</p> <p>3 many going back and forth.</p> <p>4 Q Okay.</p> <p>5 And I don't mean to belabor this</p> <p>6 but I just want to make it clear because we</p> <p>7 were looking at a few today.</p> <p>8 A Okay.</p> <p>9 Q And just so I'm clear on this, if I</p> <p>10 would show you Clearwater Exhibit 46 and you</p> <p>11 were to go to 3-GRANITE-007169.</p> <p>12 A Okay.</p> <p>13 Q That has your handwriting on it I</p> <p>14 think we talked about, right?</p> <p>15 A Yes.</p> <p>16 Q And I think I understood you to say</p> <p>17 that the notation of \$173,620,556 was the</p> <p>18 net present value amount of -- let me</p> <p>19 withdraw that -- that 173 is AIG's share of</p> <p>20 the net present value amount that was</p> <p>21 offered by the carriers in settlement of the</p> <p>22 Dresser/Halliburton claims, right?</p> <p>23 A As reflected here, yes.</p> <p>24 Q And then I think we looked at how</p> <p>25 you would calculate that. If you go to</p>

36 (Pages 141 to 144)

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1 SIMON YOON
 2 page, you see that same \$624 million net
 3 present value number?
 4 A I see that.
 5 Q And you don't see a nominal amount,
 6 total nominal amount?
 7 A Not in this exhibit, no.
 8 Q And if you go to Exhibit 47 and you
 9 look at 2-GRANITE-001832 to 2-GRANITE-001838
 10 and you look at all the AIG company numbers,
 11 they are all net present value numbers?
 12 MR. WILDER: That was asked and
 13 answered.
 14 Q Right?
 15 A Yes.
 16 Q And if you were to add those up, we
 17 agree it would be 173 million plus?
 18 A I would think so.
 19 Q Yes?
 20 I just want to -- I know we went
 21 over this before. I just want to, because
 22 you said you weren't certain about certain
 23 dates so I want to get clarification.
 24 Yes, you would think so?
 25 A Yes.

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1 SIMON YOON
 2 Q And that is the amount -- that
 3 173.6 and change is the amount that AIG
 4 agreed to pay Dresser/Halliburton net
 5 present value in settlement of the coverage
 6 against the AIG companies?
 7 A Right. That's the net present
 8 value basis which, once again as I said many
 9 times already, half of the consideration for
 10 us in terms of getting this deal done with
 11 Halliburton.
 12 The other part being the payment
 13 stream.
 14 Q Okay.
 15 And on the global payment amount,
 16 we're talking about, for example, Exhibit 47
 17 representing the amounts the paying carriers
 18 were going to pay either on a nominal basis
 19 or a net present value basis?
 20 MR. WILDER: Object to the
 21 form.
 22 A I missed the first part of that
 23 question.
 24 Q The global amount that the insurer
 25 group agreed to pay was one lump sum, right?

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1 SIMON YOON
 2 Or it was -- either it was a lump sum on a
 3 nominal basis or net present value basis,
 4 right?
 5 A What I'm saying, I'm not definitive
 6 one way or the other in terms of nominal or
 7 net present value in terms of all the
 8 carriers together, because obviously my goal
 9 is to focus on AIG member company's limits.
 10 And so once we arrived at the 173
 11 NPV value then, as I said before, I moved on
 12 to the next stage for us to get the longest
 13 possible payout.
 14 And so basically what I'm saying,
 15 from that time period as to what all the
 16 other carriers are paying, I know there were
 17 term sheets that we went through, it was
 18 being communicated to Halliburton, it really
 19 didn't matter to us.
 20 Q But I'm just talking --
 21 A That's why I can't be definitive.
 22 Q I understand. It's your
 23 understanding that the amounts agreed to be
 24 paid by the carriers in total settlement to
 25 Dresser/Halliburton along with AIG was a

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1 SIMON YOON
 2 global amount, right?
 3 I mean, that was the point of
 4 staying in the global joint defense group,
 5 to get the best deal, right?
 6 MR. WILDER: Object to the
 7 form. Compound.
 8 A To arrive at one, initially the one
 9 global amount, yes.
 10 Q And that's represented in
 11 Exhibit 47 and other exhibits that we've
 12 seen, right?
 13 A I believe so. Yes.
 14 Q And that represents the amount that
 15 the carriers as a group were willing to pay
 16 Halliburton/Dresser in settlement of the
 17 coverage amounts that they were making
 18 against those carriers, including the AIG
 19 companies?
 20 A That's my understanding.
 21 Q Let's go back to Exhibit 48.
 22 A Okay.
 23 Q On 5, it says "Chris/Simon are
 24 getting their numbers together to determine
 25 how much they have committed already for

38 (Pages 149 to 152)

<p style="text-align: right;">Page 153</p> <p>1 SIMON YOON</p> <p>2 other accounts to determine what they can</p> <p>3 pay 2008 forward."</p> <p>4 Do you see that?</p> <p>5 A I see that.</p> <p>6 Q Do you recall getting numbers</p> <p>7 together?</p> <p>8 A No.</p> <p>9 Q I take it the other accounts would</p> <p>10 be the other toxic tort accounts?</p> <p>11 A I think that would be my</p> <p>12 understanding.</p> <p>13 Q Now, was there an annual cap in</p> <p>14 place for how much AIG could pay on toxic</p> <p>15 tort accounts?</p> <p>16 A I don't remember. I don't remember</p> <p>17 that.</p> <p>18 Q Were there any caps that you</p> <p>19 remember for -- just generally any caps?</p> <p>20 A You know, that's something that was</p> <p>21 really for Chris.</p> <p>22 Q Well, I understand maybe really for</p> <p>23 Chris, but I'm asking you.</p> <p>24 A I'm not aware of any.</p> <p>25 Q You're not aware of any, generally?</p>	<p style="text-align: right;">Page 155</p> <p>1 SIMON YOON</p> <p>2 A Okay.</p> <p>3 Q You see 3(1)(a)?</p> <p>4 A Yes.</p> <p>5 Q The reference to the purchaser in</p> <p>6 that paragraph, is that to a Lehman Brothers</p> <p>7 Control Trust?</p> <p>8 A I believe that's what that's in</p> <p>9 connection with.</p> <p>10 Q So effectively the purchaser was</p> <p>11 Lehman Brothers?</p> <p>12 A I'm just trying to remember the</p> <p>13 relationship with the purchaser.</p> <p>14 MR. WILDER: Read the question</p> <p>15 back, please.</p> <p>16 (Requested portion of record read:</p> <p>17 "Q. So effectively the purchaser</p> <p>18 was Lehman Brothers?")</p> <p>19 (End of read-back.)</p> <p>20 A I don't recall just from this</p> <p>21 subsection who the purchaser actually was.</p> <p>22 I think there were other documents that may</p> <p>23 clarify that.</p> <p>24 Q And you recall seeing other</p> <p>25 documents that clarify it?</p>
<p style="text-align: right;">Page 154</p> <p>1 SIMON YOON</p> <p>2 A What I always understood is that</p> <p>3 you can't pay any and all amount at any time</p> <p>4 you want, so as I mentioned before, there</p> <p>5 are cash flow considerations that we took</p> <p>6 into account in terms of looking for the</p> <p>7 longest possible pay stream.</p> <p>8 Was I specifically aware of a cap?</p> <p>9 No.</p> <p>10 Q But I mean, Mr. Yoon, let me remind</p> <p>11 you, you are under oath.</p> <p>12 A Yes.</p> <p>13 Q And I'm asking you again your</p> <p>14 vaguest recollection of any cap or limit to</p> <p>15 paying out toxic tort claims?</p> <p>16 MR. WILDER: Asked and answered</p> <p>17 and argumentative.</p> <p>18 A I don't recall. I don't recall</p> <p>19 that.</p> <p>20 Q If you go to Exhibit 39, please,</p> <p>21 Mr. Yoon.</p> <p>22 That's the Halliburton/Dresser/AIG</p> <p>23 company settlement agreement?</p> <p>24 A Okay.</p> <p>25 Q And if you go to Page 10?</p>	<p style="text-align: right;">Page 156</p> <p>1 SIMON YOON</p> <p>2 A I'm saying I think there are other</p> <p>3 documents that would clarify that.</p> <p>4 Q That would clarify it?</p> <p>5 Well, let's go back then to --</p> <p>6 A I think the purchaser was the trust</p> <p>7 that was created by or created in connection</p> <p>8 with the Lehman financing.</p> <p>9 Q The Lehman financing of the</p> <p>10 \$173.6 million-plus settlement amount to</p> <p>11 Halliburton?</p> <p>12 A Right. The 173 and change, yes.</p> <p>13 Q And if we go to Exhibit 3 of the</p> <p>14 settlement agreement, 2-GRANITE-000166.</p> <p>15 A Okay.</p> <p>16 Q You see Paragraph A.</p> <p>17 A I see A.</p> <p>18 Q You see the definition where it</p> <p>19 says "AIG settlement payments."</p> <p>20 Do you see that?</p> <p>21 A I see that.</p> <p>22 Q And it says that "AIG companies</p> <p>23 will be obligated to make a stream of</p> <p>24 payments at amounts at times agreed between</p> <p>25 the AIG companies and the purchaser."</p>

39 (Pages 153 to 156)

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SIMON YOON

Do you see that?

A "AIG companies will be obligated to make a stream of payments in amounts and at times" -- yes.

Q And that relates to the financing agreement?

A I believe so.

Q And what was the total amount that, if you recall generally speaking, that AIG agreed to pay Lehman Brothers for financing of the Halliburton/Dresser settlement payment?

A I believe the total amount is 262 million and change which I understood to be the nominal amount for the ten-year period of 173 NPV amount.

Q And the ten-year period being from 2005 to the end of 2014, around there?

A Something like that, yes.

MR. KENNEDY: And I'll mark as Clearwater Exhibit 49, an e-mail from Donal, D-O-N-A-L, Luna to, among others, Mr. Yoon dated November 15, 2004.

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SIMON YOON

generally?

A I don't recall that.

Q Looking at Exhibit 49, do you have any reason to believe you didn't get this e-mail?

A No.

Q If you go to the last page, which is 3-GRANITE-008695.

A Okay.

Q Does that appear to be the payment stream by AIG to Lehman Brothers?

A It looks like it, yes.

Q And that was for the financing of the Halliburton/Dresser settlement?

A Yes.

Q I thought I recalled you testifying that by April of 2004, late April 2004, AIG companies and Halliburton were getting closer to a number they both could agree to.

Is that fair to say?

A Yes.

The lead-up to that is obviously what the AIG member companies were willing to pay within the global context which I

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SIMON YOON

Bates stamped 3-GRANITE-008680 through 8695.

(Clearwater Exhibit 49, E-mail dated November 15, 2004, 9:20 a.m., with attachment, 3-GRANITE-008680 through 3-GRANITE-008695, was marked for Identification.)

BY MR. KENNEDY:

Q Now, just taking a step back.

Do you understand that as part of the AIG companies and Dresser/Halliburton settlement, there was an assignment agreement?

A Yes.

Q And that assignment agreement was between Halliburton/Dresser entities and Lehman Brothers, effectively?

A That's my understanding, yes.

Q And under that assignment agreement, Halliburton/Dresser entities agreed to assign any and all rights to the AIG company financing payments over to Lehman Brothers?

Is that your understanding

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SIMON YOON

believe around that time Halliburton/Dresser was I believe getting more comfortable with.

But, yeah.

Q Okay.

And if you go to Exhibit 42.

A Okay.

Q And you see it's AIG's "total obligation as per 4-26-04 settlement suggestion."

A I see that.

Q So is it fair to say based upon this document that AIG is trying to determine what its payment would be under a global settlement offer to Dresser/Halliburton?

A Can you repeat that question.

(Requested portion of record read:

"Q. So is it fair to say based upon this document that AIG is trying to determine what its payment would be under a global settlement offer to Dresser/Halliburton?")

(End of read-back.)

A I believe so.

40 (Pages 157 to 160)

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1 SIMON YOON
 2 Q And is this document in connection
 3 with those efforts?
 4 A Those efforts to --
 5 Q To determine the amounts that AIG
 6 might pay under a settlement with
 7 Halliburton/Dresser entities?
 8 A I think generally, yes, is one of
 9 the things.
 10 MR. KENNEDY: If I can mark as
 11 exhibit -- Clearwater Exhibit 50, a
 12 document entitled Dresser AIG,
 13 Combined Harbison and Studebaker
 14 Settlement Suggestion on April 26,
 15 2004.
 16 It's Bates stamped 3-GRANITE-007134
 17 through 7148.
 18 (Clearwater Exhibit 50,
 19 Dresser AIG, Combined Harbison and
 20 Studebaker Settlement Suggestion on
 21 4-26-2004, 3-GRANITE-007134 through
 22 3-GRANITE-007148, was marked for
 23 Identification.)
 24 A Okay.
 25

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1 SIMON YOON
 2 BY MR. KENNEDY:
 3 Q In the upper left-hand corner --
 4 handwriting in the upper left-hand corner,
 5 is that your handwriting?
 6 A That looks like my handwriting.
 7 Q Can you tell me basically what this
 8 document represents?
 9 A There are claim numbers, policy
 10 numbers, policy limits, amounts to be paid.
 11 Nets.
 12 Q Right. And this is in connection
 13 with the Dresser/Halliburton settlement
 14 discussions?
 15 A That's what it seems to say as the
 16 heading.
 17 Q Do you have any reason to doubt
 18 that it's not the case?
 19 A No.
 20 Q And it says the claim number is --
 21 what does that represent, generally?
 22 A "Claim number" is the claim number.
 23 Q It was assigned by AIG?
 24 A Yes.
 25 Q And the policy number, that is the

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1 SIMON YOON
 2 policy number of policies that are subject
 3 to the Dresser/Halliburton settlement?
 4 A I believe so, yes.
 5 Q And "Gross to be paid."
 6 What does that represent?
 7 A I don't recall.
 8 Q Does that look like an amount that
 9 at least AIG by late April 2004 was
 10 considering paying under these policies?
 11 A I can't say one way or the other.
 12 Q Would there be any reason -- can
 13 you think of any other reason to put "gross
 14 paid" like this if it weren't to determine
 15 what AIG might pay under these policies?
 16 MR. WILDER: Objection. Lacks
 17 foundation.
 18 A No.
 19 Q So it seems reasonable that this
 20 entry of "Gross to be paid" would relate to
 21 amounts that AIG might be considering paying
 22 in connection to the Harbison-Walker
 23 settlement agreement?
 24 A I can't say one way or the other.
 25 Q You don't know, Mr. Yoon?

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1 SIMON YOON
 2 A No, I don't.
 3 Q No?
 4 A No.
 5 Q Really? You don't know if these
 6 amounts reflect what AIG was considering to
 7 pay in connection with the
 8 Dresser/Halliburton settlement agreement?
 9 A They may very well be.
 10 Q And "the nets," I think you
 11 testified earlier, relate to Mr. Colon's
 12 efforts to determine the net amounts that
 13 AIG was responsible for after reinsurance
 14 was taken into account?
 15 MR. WILDER: Objection.
 16 Misstates the record.
 17 A Generally, the nets are referring
 18 to the amounts that our policies -- the
 19 amount that we would be obligated under the
 20 policies, taking into account reinsurance.
 21 Q After reinsurance is considered?
 22 A Yes.
 23 Q Let's go through the claim numbers
 24 here.
 25 The 030 prefix, does that relate to

41 (Pages 161 to 164)

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<p>1 SIMON YOON</p> <p>2 If he had any questions, he may</p> <p>3 come to me. I don't recall any specific</p> <p>4 conversations.</p> <p>5 Q How about discussions with anyone</p> <p>6 else other than Mr. Wactlar?</p> <p>7 A Like I said, it would only be with</p> <p>8 counsel, to the extent that they still felt</p> <p>9 they wanted to talk to me about that.</p> <p>10 Q And your understanding is after the</p> <p>11 Dresser/Halliburton settlement, there were</p> <p>12 still negotiations between Federal Mogul and</p> <p>13 AIG companies?</p> <p>14 A I believe so, yes.</p> <p>15 Q And there were mediations, weren't</p> <p>16 there?</p> <p>17 A That, I'm not sure of.</p> <p>18 Q Do you recall attending any</p> <p>19 mediation sessions involving Federal Mogul?</p> <p>20 A No, I don't.</p> <p>21 MR. KENNEDY: Let me mark as</p> <p>22 Clearwater Exhibit 52, a document</p> <p>23 entitled Memo from the Desk of Simon</p> <p>24 Yoon, Bates-stamped GRANITE-</p> <p>25 SITE-004832.</p>	<p>1 SIMON YOON</p> <p>2 Q What did you mean by "Timing</p> <p>3 issue"?</p> <p>4 A I don't recall.</p> <p>5 Q Do you see to the right of it, "FM</p> <p>6 says there are various streams of</p> <p>7 liability"?</p> <p>8 A Yes, I do see that.</p> <p>9 Q What did you mean by that?</p> <p>10 A Do I not recall.</p> <p>11 Q "FM trust," the note below that.</p> <p>12 What did you mean by that?</p> <p>13 A I don't recall that, either.</p> <p>14 Q Did you see this document in</p> <p>15 preparation of your deposition?</p> <p>16 A Yes, I did.</p> <p>17 Q You see "Notation reinsurance</p> <p>18 issues"?</p> <p>19 A I see that.</p> <p>20 Q How did you know there were</p> <p>21 reinsurance issues?</p> <p>22 MR. WILDER: Object to the</p> <p>23 form. Lacks foundation.</p> <p>24 A I didn't know that.</p> <p>25 Q What did you mean by that when you</p>
Page 178	Page 180
<p>1 SIMON YOON</p> <p>2 (Clearwater Exhibit 52, Memo</p> <p>3 from the Desk of Simon Yoon,</p> <p>4 GRANITE-SITE-004832, was marked for</p> <p>5 Identification.)</p> <p>6 THE WITNESS: Okay.</p> <p>7 BY MR. KENNEDY:</p> <p>8 Q Is that your handwriting?</p> <p>9 A It looks like it, yes.</p> <p>10 Q It looks like this note is dated</p> <p>11 June 9, 2006?</p> <p>12 A It looks like it, yes.</p> <p>13 Q And you have an entry here,</p> <p>14 Number 1 is "Trust expenses, very broad."</p> <p>15 Do you see that?</p> <p>16 A Yes.</p> <p>17 Q Do you have an understanding of</p> <p>18 what that means?</p> <p>19 A No.</p> <p>20 Q Do you know the circumstances under</p> <p>21 which you wrote this note?</p> <p>22 A No.</p> <p>23 Q And Number 2, "Timing issue."</p> <p>24 Do you see that?</p> <p>25 A I see that.</p>	<p>1 SIMON YOON</p> <p>2 wrote that?</p> <p>3 A I don't recall why I wrote that.</p> <p>4 Q Were there any issues of allocation</p> <p>5 with respect to Federal Mogul amounts that</p> <p>6 you were thinking about paying?</p> <p>7 A I wasn't involved in terms of the</p> <p>8 Federal Mogul account, and so I see this</p> <p>9 exhibit in front of me, I see the date of</p> <p>10 June 9, '06, but as I said, my involvement</p> <p>11 was peripheral.</p> <p>12 You know, and so I'm not aware of</p> <p>13 any issues regarding allocation or anything</p> <p>14 regarding Federal Mogul.</p> <p>15 Q All right.</p> <p>16 You see "Wagner DJ" in sort of bold</p> <p>17 print on the bottom there?</p> <p>18 A I see that.</p> <p>19 Q What did you mean by that notation?</p> <p>20 A I don't recall.</p> <p>21 MR. KENNEDY: Mark as</p> <p>22 Clearwater Exhibit 53, a document</p> <p>23 entitled Memo from the Desk of Simon</p> <p>24 Yoon, with attachment. Bates-stamped</p> <p>25 GRANITE-SITE-005258 to 5259.</p>

45 (Pages 177 to 180)

<p style="text-align: right;">Page 181</p> <p>1 SIMON YOON 2 (Clearwater Exhibit 53, Memo 3 from the Desk of Simon Yoon, with 4 attachment, GRANITE-SITE-005258 and 5 GRANITE-SITE-005259, was marked for 6 Identification.) 7 THE WITNESS: Okay. 8 BY MR. KENNEDY: 9 Q You see this note, it says at the 10 very bottom "No Federal Mogul policies to 11 come into play with respect to asbestos 12 losses." 13 Do you see that? 14 A I see that. 15 Q What did you mean by that note? 16 A I don't recall that. 17 Q This is your handwriting, right? 18 A Yes. 19 Q Do you recall what you meant by 20 that? 21 A I don't recall. 22 Q You note, the first notation, 23 "Total available limits for Federal Mogul's 24 asbestos losses range from approximately 25 130 million to 150 million."</p>	<p style="text-align: right;">Page 183</p> <p>1 SIMON YOON 2 A It tells the claim number, the 3 insured, you know, some basic policy -- you 4 know, the policy number and policy dates. 5 Q But I see more than one claim 6 number here. 7 Do you? 8 A Yes, I do. 9 Q And it seems like it relates to the 10 insured as McGraw-Edison? 11 A Yes. 12 Q Okay. 13 So it tells me as of May 2, 2000 14 what claims are open with respect to 15 McGraw-Edison; is that right? 16 A May 2, 2000, it would seem to 17 capture that, yes. 18 MR. KENNEDY: Let's mark as 19 Clearwater Exhibit 54, an e-mail from 20 Patrick Sweeney to Amy Friedman dated 21 November 5, 2004, attaching other 22 e-mails, and it's Bates-stamped 23 GRANITE-SITE-009167 through 9170. 24 (Clearwater Exhibit 54, E-mail 25 chain, top e-mail dated Friday,</p>
<p style="text-align: right;">Page 182</p> <p>1 SIMON YOON 2 You underlined asbestos. 3 Do you see that? 4 A Yes. 5 Q Are you aware of any other Federal 6 Mogul losses that were at issue? 7 A No. 8 Q Is it your understanding that this 9 was essentially the range of available 10 limits with respect to the Federal Mogul 11 claims? 12 A I think whenever I wrote it, that's 13 my understanding, that was my understanding 14 of it. 15 Q If you turn to the next page and 16 that's 5259, there's an Account Status 17 Report as of May 02, 2000. 18 Do you see that? 19 A I see the date. 20 Q What is an account status report 21 generally? 22 A It's a report on the account. 23 I don't know what better way for me 24 to explain. 25 Q What does it tell the reader?</p>	<p style="text-align: right;">Page 184</p> <p>1 SIMON YOON 2 November 5, 2004, 2:53 p.m., 3 GRANITE-SITE-009167 through 4 GRANITE-SITE-009170, was marked for 5 Identification.) 6 BY MR. KENNEDY: 7 Q If you go to the second-to-last 8 page, please, to 9169, at the very bottom, 9 you'll see an e-mail from you to Anthony 10 Iandoli, Patrick Sweeney and William Bush, 11 November 1, 2004, 3:58 p.m. 12 Do you see that? 13 A I see that. 14 Q Do you recall sending this e-mail? 15 A No. 16 Q And November 1, 2004, AIG companies 17 hadn't yet entered into a written settlement 18 agreement with the Halliburton/Dresser 19 entities; isn't that right? 20 A Yeah, it wasn't executed yet. 21 Q And this is the subject, 22 "Halliburton." 23 Are you referring to the 24 Halliburton/Dresser claims that were at 25 issue between AIG companies and those</p>

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BY MR. KENNEDY:

Q Mr. Yoon, please take a look at these pages.

A Okay.

Q Do you have an understanding of what these documents are?

A Just what they say.

Q What do they say? What's your understanding of what these documents are?

A These appear to be letters from folks at AIG Technical Services, my old department, toxic tort claims department, to Coblenz & Warner. I don't know who they are.

And the subject line is "McGraw-Edison/Cooper Industries/Wagner Electric asbestos claims."

Q Have you seen these documents before?

A No.

Q Do you see the reference -- go to the first page, 9179.

To claim Number 17004142.

Do you see that?

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insured, for those sets of insureds, and looking at the total presumed liabilities and the burn rate, the information that were being provided by the insured in terms of the burn rate and the presumed liabilities, basically it was very clear that it was going to be taking up all of those coverage blocks.

Q And at what point in time was it very clear to AIG that was going to happen?

A I think based on what they initially presented.

The understanding was that -- exactly when, I can't say.

Q Just give me a year.

A I can't say one way or the other.

Q 2003, would you say AIG had that understanding?

A I think based on the presumed liabilities, the understanding, '03 -- I mean, I can't put a date on year on it.

Q 2010?

A 2010? I mean, at this point the settlement is done.

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A I see that.

Q Do you know what policy that relates to?

A No, I do not.

Q Do you have an understanding whether any of these pages of documents relate to the Granite State McGraw-Edison policies?

A Oh, I can't say one way or the other.

Q Mr. Yoon, before or as AIG was entering into the settlement agreement with Halliburton/Dresser and before it agreed to pay to Dresser entities 173.6 million-plus dollars, did you undertake any investigation as to whether the policies underlying the Granite State McGraw policies had been fully exhausted?

A In terms of that 173 net present value and what we agreed to in terms of net present value basis, we looked at in terms of every mediation session which involved all the carriers on all the towers and coverage block for those claims for that

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Q Exactly.

So it was sometime before the settlement, correct?

A Correct.

Q And you don't know what year?

A No. But certainly leading up to the settlement it became more and more clear.

Q There was grave exposure under AIG's policies?

A Large exposure, yes.

Q Under all the policies?

A Or many of them, but we were certainly getting more clear definition in terms of \$173 million NPV value.

Q And that policy included the McGraw-Edison Granite State policies?

A Yes.

Q Now, back to my question.

Before AIG agreed to enter into the settlement agreement with Dresser/Halliburton, did you undertake an investigation as to whether the policies underlying the Granite State McGraw policies

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<p style="text-align: right;">Page 201</p> <p>1 SIMON YOON 2 in fact had paid out their full limits? 3 MR. WILDER: You, Simon you, or 4 AIG? 5 MR. KENNEDY: You, Mr. Yoon. 6 A No. 7 Q Are you aware of anyone at AIG that 8 undertook such an investigation? 9 A I'm not aware of it. 10 Q Are you aware of anyone on behalf 11 of AIG that undertook such an investigation? 12 A I'm sure our counsel did. 13 Q But are you aware of it or you are 14 just thinking that counsel did? 15 A Our counsel is there to do those 16 kind of things. 17 Q I understand that but my question 18 is little different. 19 Do you know whether your counsel 20 did or did not do that? 21 A I can't be definitive but that's 22 certainly stuff we would ask our counsel to 23 do. 24 Q But in this specific instance, do 25 you know or do you not know they in fact did</p>	<p style="text-align: right;">Page 203</p> <p>1 SIMON YOON 2 had it and I probably looked at it before. 3 MR. KENNEDY: Give me like five 4 minutes, because I think we are about 5 done. 6 (A brief recess was 7 taken.) 8 MR. KENNEDY: I have no 9 additional questions. Thank you for 10 your time, Mr. Yoon. 11 EXAMINATION BY MR. WILDER: 12 Q Mr. Yoon, do you recall that 13 Mr. Kennedy was asking you questions about 14 exhaustion? 15 A Generally, yes. 16 Q And you testified about information 17 you obtained in mediation statements? 18 MR. KENNEDY: Objection. 19 Q Mediation sessions? 20 MR. KENNEDY: Objection to the 21 extent that you are linking 22 exhaustion and mediation session 23 information together. 24 I don't recall that testimony. I 25 don't believe it happened.</p>
<p style="text-align: right;">Page 202</p> <p>1 SIMON YOON 2 that? 3 A I'm not definitive on that. 4 MR. KENNEDY: I'll mark as 5 Clearwater Exhibit 56, a document 6 entitled Dresser Industries, Inc. 7 Worthington/Alco Coverage. 8 And it's Bates-stamped GRANITE- 9 STATE-093447. 10 (Clearwater Exhibit 56, 11 Coverage chart, GRANITE-STATE- 12 093447, was marked for 13 Identification.) 14 BY MR. KENNEDY: 15 Q Mr. Yoon, you understand that this 16 is a coverage chart of all of the insurers' 17 policies with respect to the 18 Dresser/Halliburton claims, asbestos claims? 19 A I'm not sure that it is, but it's 20 something I guess from looking at the 21 document, it's something that Kirkpatrick & 22 Lockhart as Halliburton's counsel provided. 23 Q Do you recall receiving a copy of 24 this? 25 A Not specifically, but I probably</p>	<p style="text-align: right;">Page 204</p> <p>1 SIMON YOON 2 Q Do you recall giving testimony 3 about obtaining information at mediation 4 sessions about exposure? 5 A Yes. 6 Q Was there any other factor that you 7 took into account in connection with the 8 question of underlying exhaustion in this 9 settlement? 10 A Once again, all the carriers in the 11 coverage block were present. 12 They all ultimately also agreed to 13 resolve their disputes with Halliburton, and 14 so for me, each of those sessions, mediation 15 sessions served as a live analysis in terms 16 of all the carriers' liabilities and their 17 payment obligations. 18 And so -- and then once again 19 taking into account the burn rate and the 20 presumed liabilities, you know, for me that 21 satisfied -- that was certainly one of the 22 main points that satisfied for me about 23 underlying exhaustion. 24 MR. WILDER: Thank you. 25 Nothing further.</p>

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<p>1 SIMON YOON</p> <p>2 FURTHER EXAMINATION BY MR. KENNEDY:</p> <p>3 Q But just to be clear, that didn't</p> <p>4 mean you undertook or anyone you are aware</p> <p>5 of undertook an investigation that the</p> <p>6 investigation that the underlying limits in</p> <p>7 fact had been exhausted, right?</p> <p>8 MR. WILDER: Objection.</p> <p>9 Q Nothing that you just said in</p> <p>10 response to Mr. Wilder's question changes</p> <p>11 your answer that you are unaware of anyone</p> <p>12 on behalf of AIG undertaking an</p> <p>13 investigation as to whether the underlying</p> <p>14 limits were in fact exhausted.</p> <p>15 Does it?</p> <p>16 MR. WILDER: Objection.</p> <p>17 Misstates the record.</p> <p>18 A I think what I testified to earlier</p> <p>19 was that our counsels may have done that on</p> <p>20 our behalf, but in terms of whether I did, I</p> <p>21 mean yeah, I said I can't be definitive</p> <p>22 about that.</p> <p>23 Q And I also didn't limit it to you.</p> <p>24 I said anyone that you are aware of.</p> <p>25 Whether you in fact know, Mr. Yoon,</p>	<p>1 SIMON YOON</p> <p>2</p> <p>3 MR. KENNEDY: I have no further</p> <p>4 questions, either.</p> <p>5</p> <p>6 (The deposition was concluded at</p> <p>7 3:44 p.m.)</p> <p>8</p> <p>9</p> <p>10 SIMON YOON</p> <p>11 Subscribed and sworn</p> <p>12 to before me this</p> <p>13 ____ day of ____, 2011</p> <p>14</p> <p>15 _____</p> <p>16 Notary Public</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
<p>Page 206</p> <p>1 SIMON YOON</p> <p>2 sitting here today, testifying under oath,</p> <p>3 whether anyone on behalf of AIG actually</p> <p>4 undertook an investigation as to whether the</p> <p>5 full underlying limits of the policies</p> <p>6 underlying the Granite State McGraw policies</p> <p>7 were exhausted?</p> <p>8 MR. WILDER: Also, you don't</p> <p>9 have to keep reminding the witness</p> <p>10 that he's under oath. It's</p> <p>11 offensive.</p> <p>12 MR. KENNEDY: To you, maybe.</p> <p>13 But I've got a record I've got to</p> <p>14 clarify here.</p> <p>15 Q So could you please answer that</p> <p>16 question?</p> <p>17 A I can't be definitive. Yes.</p> <p>18 MR. WILDER: Nothing further.</p> <p>19</p> <p>20 (Continued on next page.)</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>Page 208</p> <p>1 SIMON YOON</p> <p>2 STATE OF NEW YORK) PAGE ____ of ____</p> <p>3) ss:</p> <p>4 COUNTY OF NEW YORK)</p> <p>5 I wish to make the following</p> <p>6 changes, for the following reasons:</p> <p>7 PAGE LINE</p> <p>8 ____ CHANGE: _____</p> <p>9 REASON: _____</p> <p>10 ____ CHANGE: _____</p> <p>11 REASON: _____</p> <p>12 ____ CHANGE: _____</p> <p>13 REASON: _____</p> <p>14 ____ CHANGE: _____</p> <p>15 REASON: _____</p> <p>16 ____ CHANGE: _____</p> <p>17 REASON: _____</p> <p>18 ____ CHANGE: _____</p> <p>19 REASON: _____</p> <p>20</p> <p>21</p> <p>22 _____</p> <p>23 Witness's signature Date</p> <p>24</p> <p>25</p>

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